



**NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS**  
**REGULAR MEETING AGENDA**

6:00 P.M., Tuesday  
September 27, 2011

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1. Call To Order
2. Fifteen-Minute Public Comment Period
3. Minutes of the Special August Meeting, held on Tuesday, August 30, 2011.
4. Action Items
  - Signatory Resolution for Clean Fuel Vehicles Contract
  - Obligor Resolution for Kansas State Bank Equipment Lease
5. Financial Report
6. Strategic Presentations
  - Regional Water Planning
  - Natural Gas Distribution Integrity Management Program (DIMP)
7. Executive Session – To Discuss Confidential Trade Secret & Commercially Valuable Confidential or Proprietary Information Not Subject to Inspection or Public Disclosure Pursuant to Section 1-210[5] and 7-232a of the CT. General Statutes. This information is commercially valuable, confidential and proprietary and is not public disclosure, pursuant to Public Act No. 98-212.
8. Other Business
  - Combustion Turbine Update
  - Legislative Testimony on Storm Irene Response (attached)
  - LIHEAP Funding – Info to be provided at meeting
9. The next Regular Meeting is scheduled to be held on Tuesday, October 25, 2011.

Upcoming Topics:

- Fats Oils Grease Program (FOG)
- NERC Compliance

Respectfully Submitted,

John Bilda  
General Manager



NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS  
SPECIAL MEETING

August 30, 2011

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The special August Meeting of the Norwich Board of Public Utilities' Commissioners was held on Tuesday, August 30, 2011 in the 2<sup>nd</sup> Floor Board Room of Norwich Public Utilities (NPU) located at 16 South Golden Street, Norwich.

Item 1. The Meeting was called to order at 6 p.m. by Chairman Sullivan.

Present: Chairman James Sullivan, Vice Chairman Diana Boisclair, Secretary Alan Remondi and Commissioners Frank Demicco and Larry Goldman. Also in attendance were: General Manager John Bilda; NPU Staff Members Steve Sinko, Kerri Kemp, Mike Hughes and Jeanne Kurasz.

Item 2. Fifteen-Minute Public Comment Period. No one from the public was present.

Item 3. Minutes of the Regular June Meeting held on Tuesday, June 28, 2011. Secretary Remondi, seconded by Commissioner Goldman moved to approve the Minutes of the Regular June Meeting held on Tuesday, June 28, 2011, as written. Unanimously approved.

Chairman Sullivan suspended the Order of the Meeting to allow General Manager Bilda the opportunity to update the Board on Tropical Storm Irene activities, issues and restoration efforts. General Manager Bilda provided information to the Board on the following:

- Outage areas and restoration plans
- Road closures
- Tree trimming activities
- NPU staffing – Crews and support staff
- Mutual aid
- City inter-departmental coordination and activities
- Gasoline shortages and planning
- Use of technology in managing and improving storm restoration strategies

Following General Manager Bilda's update, Mike Hughes made a presentation to the Board showing some of the damage from the storm, restoration efforts, and new communication tools in use during this event.

Vice Chairman Boisclair expressed her gratitude to the entire NPU crew, both personally and on behalf of Backus Hospital. Commissioner Remondi cautioned the staff not to lose sight of the fact that there is still work to be done. He also suggested that outage data be reviewed and used to develop a plan for infrastructure improvement. Commissioner Goldman commented on the use of technology to help with efforts. Chairman Sullivan stated that each and every employee should be commended for the work being done. He also stated that the communication over the last three days was impressive.

Item 4. Action Items. Resolution – Backus Hospital Generators.

The Board entered into a discussion about the proposed Backus Hospital Generator Resolution. After discussion, Secretary Remondi, seconded by Commissioner Goldman moved to amend the Resolution as

follows. Voted in favor: Chairman Sullivan, Secretary Remondi, Commissioner Demicco and Commissioner Goldman. Abstained from vote: Vice Chairman Boisclair. Motion approved.

Chairman Sullivan asked if there was any further discussion. Hearing none, he called for a vote. Secretary Remondi, seconded by Commissioner Goldman moved to approved the Resolution as amended. Voted in favor: Chairman Sullivan, Secretary Remondi, Commissioner Demicco and Commissioner Goldman. Abstained from vote: Vice Chairman Boisclair. Resolution approved.

## **RESOLUTION**

### **AUTHORIZING A PROJECT TO BUILD EMERGENCY GENERATION SYSTEM IN PARTNERSHIP WITH THE WILLIAM W. BACKUS HOSPITAL**

**WHEREAS**, Norwich Public Utilities is a community focused, not-for-profit utility company committed to providing the citizens and the business community of Norwich with reliable and affordable energy; and

**WHEREAS**, Norwich Public Utilities is focused on partnering with other community organizations, businesses, and leaders who share the same commitment to provide reliable and necessary services to the citizens of Norwich to afford a high standard of living; and

**WHEREAS**, the William W. Backus Hospital is a community focused, not-for-profit health care organization which provides necessary life-saving medical and emergency care to the citizens of Norwich; and

**WHEREAS**, Norwich Public Utilities has the wherewithal and expertise to design, build, maintain and operate an emergency generation system capable of providing stand-by electric power; and

**WHEREAS**, Norwich Public Utilities is in the unique position to partner with the William W. Backus Hospital on providing a mutually beneficial electric emergency generation system that will not only provide necessary emergency generation to the hospital facility in the event of a distribution system failure, but will also provide distribution generation to the citizens of Norwich resulting in reliable and lower cost energy.

**NOW THEREFORE BE IT RESOLVED** The City of Norwich Board of Public Utilities Commissioners authorizes the General Manager to enter into an agreement with the William W. Backus Hospital, at a cost not to exceed \$7 Million, to construct and operate an emergency generation system capable of providing necessary electric generation in the event of a catastrophic power failure to the hospital, but will also benefit the citizens of Norwich by providing distributive generation for Norwich Public Utilities.

Item 5. Financial Report. Steve Sinko updated the Board on NPU's May financial statements. Informative.

Item 6. Strategic Presentations.

- Regional Water Planning. Tabled until the next meeting.

Commissioner Goldman, seconded by Secretary Remondi moved to recess the Board Meeting at 6:45 p.m. and enter into the Sewer Authority meeting. Unanimously approved.

The meeting resumed at 6:50 p.m.

Item 7. Executive Session. Secretary Remondi, seconded by Vice Chairman Boisclair moved to enter into Executive Session at 6:50 p.m. to Discuss Confidential Trade Secret & Commercially Valuable Confidential or Proprietary Information Not Subject to Inspection or Public Disclosure Pursuant to Section 1-210[5] and 7-232a of the CT General Statutes. Unanimously approved. General Manager Bilda was asked by the Board to stay for the purpose of providing proprietary information.

The Board arose from Executive Session at 7:00 p.m.

There were no votes taken during Executive Session.

Item 8. Other Business. None.

Item 9. The next Regular Meeting is scheduled to be held on Tuesday, September 27, 2011.

Secretary Remondi, seconded by Chairman Sullivan moved to adjourn the Meeting at 7:03 p.m.

Attest:

Alan Remondi  
Secretary

**RESOLUTION**

Resolved, that John F. Bilda, in his capacity as General Manager, is duly authorized to enter into a grant agreement between Norwich Public Utilities and the State of Connecticut Department of Transportation for the purchase of alternative/clean fuel vehicles and/or diesel retrofit technologies (FHWA Project No. CM-000R(652) State Project No. 170-3019.

Adopted by the City of Norwich Board of Public Utilities Commissioners, this \_\_\_\_ day of \_\_\_\_\_ 2011.

ATTEST:

\_\_\_\_\_  
Alan Remondi, Secretary  
City of Norwich Board of  
Public Utilities Commissioners

## OBLIGOR RESOLUTION

**Whereas**, the City of Norwich Department of Public Utilities (the “Obligor”) is the municipal utility department for the City of Norwich; and

**Whereas**, Chapter XII, Sec. 2 of the Charter and Related Laws of the City of Norwich (the “Charter”) places the Obligor under the jurisdiction of the City of Norwich Board of Public Utilities Commissioners (the “Governing Body of Obligor”); and

**Whereas**, the Governing Body of the Obligor does hereby certify that John F. Bilda, General Manager, is a duly authorized officer of the Obligor; and

**Whereas**, Chapter XII, Sec. 11 of the Charter provides authority for the Governing Body of the Obligor to allow its duly authorized officers and employees to enter into leases, contracts or agreements on behalf of the Obligor; and

BE IT RESOLVED by the Governing Body of Lessee as follows:

1. **Determination of Need.** The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of August 22, 2011 between City of Norwich, Connecticut (Department of Public Utilities (Obligor) and Kansas State Bank of Manhattan (Obligee).
2. **Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor’s behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Contract, necessary to the consummation of the transaction contemplated by the Contract.

**Authorized Individual(s):** John F. Bilda, General Manager

(Printed or Typed Name and Title of individual(s) authorized to execute the Contract)

## **Review of Monthly Financial Report August 31, 2011**

### **CASH:**

Overall cash balances have decreased approximately \$229K from June 30, 2011 ending the month of August with total balances of \$13.3M, down \$100K from last month. The gas division realized a cash decrease during the month of July of \$686K. The electric, water and sewer divisions realized cash increases of \$681K, \$47M and \$66K respectively for the month.

The following were the most significant impacts to cash flow during August 2011:

- The decrease in gas cash was due to a combination of planned storage gas purchases and expected lower revenues during hot summer months. This decrease is following the seasonal trend.
- The increase in electric cash was due to a combination of lower than planned firm sales, PPA over recovery and lower than expected expenses due to timing of work.

The Department as a whole also experienced an increase in receivables of \$956M since the start of the fiscal year.

### **EXPENSES:**

Department expenses are down approximately \$1.6M to budget. Purchased power, O&M, administration, energy efficiency and office expenses are the four biggest factors impacting the variance. Purchased power is tracking \$727K below budget due to lower than planned wholesale electric costs (\$101.23/MWh vs. \$110.31/MWh or \$9.08M) and lower than planned energy purchases (down 2,560 MWh or 3.8%). Overall, O&M is tracking \$437K below budget due to timing of projects which is expected to recover over the next few months. Administration and office expenses are tracking below budget due to a combination cost control measures and timing. These expenses are expected to track below budget through the fiscal year. Energy efficiency is currently tracking below budget, however, is expected to recover over next 2 months as our accounting is reconciled with CMEEC statements.

### **REVENUES:**

Total revenues were \$376K over planned with sales revenues contributing \$660K offset by a decrease in other revenues. The electric division was the driving factor in sales being above planned contributing \$499K to the variance due to a combination of 3.4% lower than planned sales (down 1,134 MWh) and over recovery of the PPA (\$232K) during the month of August. Jet revenues continue to trend downward impacting other sales by \$154K.

The purchased gas adjustment and the purchased power adjustment are recovering wholesale energy costs as planned. No adjustments are required at this time.

# Norwich Public Utilities Response

## Tropical Storm Irene Hearing Questions

### Utility Companies

- Preparation
  - What are the best practices for readiness? Response?
    - *The first step to prepare for an event like Irene is to have a good plan in place before the storm arrives. We have emergency plans in place for major events that are constantly being evaluated and adjusted. We conduct mock emergency exercises both internally and with other city and community agencies.*
    - *Next, you must make sure to follow the plan while allowing for sufficient flexibility to make adjustments when the situation dictates.*
    - *Finally, after every major event we conduct an after-action program evaluation with a company-wide SWOT analysis to improve our planning and to discover any gaps that might exist.*
  - How did you fare for readiness? Response?
    - *Our plan was put together well in advance of the storm. We had the right resources in the right place to deal with any potential issues that might arise.*
  - What was the damage from Tropical Storm Irene? How many lines were affected? How many customers were affected?
    - *The assessment of total damage that occurred in Norwich is on-going.*
    - *Total cost of the recovery is estimated to be \$2.54 million.*
    - *We experienced the following:*
      - *Downed trees and power lines, broken poles, and tripped transformers due to sustained high winds*
      - *108 streets closed due to downed wires and trees*
      - *11,600 customers without power was our peak outage (out of roughly 22,000 electric customers) 3.5 hours after we reached this peak, we were able to restore power to approximately 6,000 customers and were left with only 5,600 .*
      - *99% of our customers were restored within 3 days and 100% of our customers were restored within 4 days.*
  - What was the extent of your disaster preparedness plan? Please provide details.
    - *Major components of our recovery plan include:*
      - *Plan called for preparation for the storm to take place up to 5 days before the event.*

- *The placement of assets and resources were in place before the storm*
- *The utilization of Incident Command Structure (ICS) to deploy assets and resources for recovery. Using ICS allows us to:*
  - *Place the right personnel in the right place. Day-to-day job duties were put aside and every employee was reassigned to recovery duty. Each employees' duties were matched with their knowledge, skills, and abilities to assist in the recovery effort.*
  - *Flattening out of the organizational chart. Every employee knew his or her role in the recovery effort. We empowered our employees to make decisions within the framework of our recovery plan. While communication between our crews and the control room was constant, some decisions were made based on an in-the-field damage assessment. This process was made easier because our staff knows Norwich and our electric system inside and out.*
- *For safety reasons, we recognized the need to pay attention to the wellbeing of our staff. Our staffing plans included adequate rest and we provided hot meals for every employee throughout the event.*
- *We staffed our customer service center 24/7 during the height of the storm and the recovery. When our customers called us during this time, they were able to speak to a live human to get information and report any potential problems. This helped us educate our customers, provide real-time information to our control room, and stay ahead of any potential issues.*
- *We dispatched electrical contractors specifically to reconnect customers' service lines to our system. We performed this service free of charge. Normally, a customer would be responsible for hiring a contractor to handle this work.*
- *Were we prepared for a category 1 hurricane?*
  - *Yes*
- *What damage could have been done?*
  - *Major structural issues to the electrical system and flooding would have been a worst case scenario.*
- *Where/how could we have done better?*
  - *Initial damage assessment can be improved and could have been more efficient.*
  - *Some outages still would have probably lasted 3-4 days, but we might have been able to restore some customers a little faster than we did.*

- What lessons did you learn?
  - *We are prepared for a major storm. Up until Irene, our plans were only tested and drilled. As they were put into action we realized that all of that preparation was worth it.*
  - *Human needs matter. We paid attention to the needs of our crews and made sure they were properly rested and fed so that they could continue the recovery effort.*
  - *Every employee at NPU was critical in the restoration effort. We employed an "all hand on deck" philosophy. Working together made this restoration effort more efficient.*
  - *We called in some of our retired employees to help with this effort. These former employees know the system and the city. This plan worked very well and we plan to utilize it in the future.*
  - *Prioritization of restoration matters. We prioritized hospitals, healthcare institutions, and emergency shelters first. We then concentrated on the major commercial centers so that the citizens of Norwich had access to basic needs like groceries and gasoline. We then targeted the largest number of customers we could restore in the least amount of time.*
  - *Supplies and assets must be in place before the any major event. We secured food, supplies, lodging, contractors and other resources in advance of the storm. They may not be available during or after the emergency. Gasoline is an excellent example of this. We filled all of our gas tanks before Irene hit the area, but as time went on, we needed more fuel. Because we were able to restore electricity to them, Norwich gas stations were flooded with customers from other areas that did not have power. This caused a mini gas shortage for our area and took an important asset away from our effort.*
  - *In today's digital world, our Information Technology (IT) and GIS departments were invaluable in the recovery effort. We plan on expanding and improving these department's role in future efforts.*
  
- What are your standards in regards to tree trimming? Have these standards changed over the past 10 years?
  - *Our tree trimming efforts have significantly increased in last 10 years. We have added one extra crew and we partner with the City of Norwich Public Works Department PW to remove problem trees and branches on an on-going basis.*
  
- Staffing/Labor
  - How many line crews were deployed during peak restoration?
    - *12 line crews working to restore power and repair the electric system and 4 electrical contractors working on repairing*

- How many line crews were brought in from other places, if any?
  - *6 mutual aid crews from other public power systems throughout New England.*
- How many line crews are employed by your company now vs. 2000?
  - *In the year 2000 we had 3 full time line crews. Today we also have 3 line crews on at any given time but with cross training and strategic human resources management we can expand to 5 fully staffed crews*
- What are your policies/standards regarding hours of work (hours/shift)?
  - *For safety reasons we schedule 16 hours on followed by 8 hours of rest time. This schedule empowers our crew flexibility to complete whatever task is necessary in the field without having to worry about time constraints.*
- Communication
  - How was the communication between your company and municipalities?
    - What worked? What didn't?
      - *The City of Norwich Emergency Operations Center (EOC) was located at our administration building. This made communication with other city departments seamless. We interacted with every city agency and community organization in the same building that we were that our utility control room is located.*
      - *Radio communication was coordinated with all city entities.*
      - *We supported the EOC with our GIS, IT, and administrative assets. This allowed real-time information to be shared by everyone.*
      - *Norwich EOC and City Manager held daily briefing with all city and community agencies including:*
        - *All city agencies (Police, Fire, Public Works, Human Services, Board of Education, etc.)*
        - *Backus Hospital*
        - *American Ambulance*
        - *Uncas Health District*
        - *Red Cross*
    - How could this communication be improved?
      - *Some additional training of other city and community agencies in our GIS system may be appropriate.*
      - *More frequent emergency exercises throughout the year (tabletops) would help us plan better. Right now, we conduct these exercises once a year.*

- *Have all of the other city agencies trained in the National Incident Management System (NIMS).*
- How was the communication between your company and your customers?
  - What worked?
    - *We utilized "Social Media" to communicate directly with our customers. Customers were able to submit questions to us directly through Twitter (on smart-phones if they didn't have internet up and running). Those questions were answered by a dedicated staff member.*
    - *Local radio station WICH (1310 am) set up a broadcasting location in our building. This helped us get information out to our customers in quickly.*
    - *Norwich Public Utilities communications staff contacted all local, regional, and state-wide media in order to set up and maintain communication channels with them. Constant updating of these media organizations helped keep our customers informed and safe.*
    - *We staffed our Customer Service Center 24 hours a day during the height of the storm and the recovery. Customers could always speak to a live NPU employee if there were any problems.*
  - What didn't?
    - *Our website, which is hosted in New London, went down during the storm. This took a communication tool away from us when we needed it the most.*
  - How could this communication be improved?
    - *Change our internet hosting company to include redundant servers (being worked on right now)*