

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
September 12, 2016

ATTENDANCE: Commissioners: David Brown, Chair; Charles Yost, Debora Goldstein
Treasurer: Dr. Michael Intrieri

STAFF: Jim Smith, General Manager; Ron Scofield, Assistant General Manager

OTHERS: Dawn Lund, Utility Financial Solutions¹

PUBLIC: Sarah Mann (E. Norwalk Library Association)
Robin & Vincent Penna

CALL TO ORDER

Commissioner Brown called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

Ms. Mann informed the Commission that the Library Association was looking into installing a bike rack at the library and would like the permission of the TTD Commission to do so. She was not requesting any funds, as a grant will be written for this. She also asked the Commission for suggestions as to where it could be placed on the property, but didn't need an answer until January/February. The Commission felt a bike rack was a good idea.

Ms. Mann also said she was aware that TTD was currently doing a Strategic Plan and asked if any information with regard to library could be shared with the Library Association. Commissioner Goldstein explained to Ms. Mann that the library was being discussed as a non-performing asset/real estate under the Strategic Plan. Commissioner Brown told Ms. Mann that the Commission will keep the Library Association informed during the Strategic Planning process of any items having to do with the library.

Mr. Penna thanked the TTD and the Commission for their support to save their business at the rally held on September 7, 2016 at Liberty Square. He informed the Commission what he has been doing, who he has been contacting and what his plans are moving forward to save their business.

¹ Dawn Lund participated by telephone, and confirmed that she could hear and be heard.

UFS FINANCIAL PROJECTION/COST OF SERVICE UPDATE PRESENTATION

Mr. Smith told the Commission that Utility Financial Services updated the initial Rate Study/Financial Projection prepared in 2014 for TTD and that Dawn will be reviewing the report with the Commission. The purpose of the Rate Study/Financial Projection is to determine TTD's revenue requirements for the fiscal years 2016 through 2020 and addresses recommended rate adjustments necessary to work towards targeted revenue requirements.

Ms. Lund (via phone) reviewed the recent report provided to the Commission. She reviewed and explained each of the three key targets: 1) Debt Coverage Ratio; 2) Minimum Cash Reserves Target; and 3) Optimal Net Income. The three key targets work together to help determine whether the utility needs a rate increase or any type of rate change in the future.

The three key financial targets are met throughout the projection period with a projected inflationary increase in 2020. The rate track should be monitored with the yearly budget process and the Commission should be prepared to adjust the rate track as necessary to ensure continued financial health.

MINUTES OF MEETING

August 1, 2016

- ** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF AUGUST 1, 2016 REGULAR MEETING.**
- ** COMMISSIONER YOST SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

August 16, 2016

- ** COMMISSIONER YOST MOVED TO APPROVE THE MINUTES OF AUGUST 16, 2016 REGULAR MEETING.**
- ** COMMISSIONER GOLDSTEIN SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

- ** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES TO AD AN AGENDA ITEM.**
- ** COMMISSIONER BROWN SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

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**** COMMISSIONER GOLDSTEIN MOVED TO AD AN AGENDA ITEM #4, DISCUSSION OF POSITION ON RENEWABLES.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER BROWN TABLED THE AGENDA ITEM #4 DISCUSSION OF POSITION ON RENEWABLES TO THE OCTOBER 3, 2016 MEETING.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE

Mr. Smith reviewed the July financials, the first month of a new fiscal year. Total Income vs. July of last year remained about the same, as well as Total Expense. Net Ordinary Income was up 16%, but Other Income was down. Mr. Smith said the reason was that in July 2015 a lot of scrap was sold, which increased Other Income. Contribution to the Rate Stabilization Fund increased by 70% over 2015. Overall, Cash Net Income is up about 25%, \$379,933 vs. \$302,753 in 2015.

Cash account balances are consistent. There was not a lot of spending in capital additions during the month of July. CMEEC debt dropped by \$222,839 over last month. Overall, July was a good month.

Expenses are down approximately 9% over last year due to a little less payroll and a concerted effort to keep expenses down overall.

KPI's - Mr. Smith said he will add two new KPI's per the discussion with Dawn Lund. Power Supply Expense is on target and Bad Debt Ratio is down due to the shut-off season. Actual Rate of Return will be updated once the audit is complete.

PCA – Currently in an over-collected position of \$192,923. This number will need to be watched so as to not get too high. The PCA may need to be adjusted in the future.

DISCUSSION OF TTD PURCHASING POLICY

The internal Purchasing Policy of September 4, 2015 was discussed in great detail. The main reason for the revisit of the policy was around the current office renovation at the 2 Second Street location. Commissioner Brown stated that per the policy in place that the Commission should have approved the RFPs prior to the start of any work in the office. The funds were approved for the project during the Capital Budget process, but not the actual work to be performed. Mr. Smith's position was that it was approved when the Commission approved the Capital Budget at the June 20, 2016 meeting.

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Discussion continued about the current office renovation and how it was or was not approved per the current Purchasing Policy vs. the Capital Budget that was approved in June 2016.

Mr. Smith asked for direction from the Commission as to how they would like to proceed moving forward. The Commission would like the current Purchasing Policy followed until the policy can be amended at a future meeting.

Commissioner Brown made a point that this should be for District only projects, not the Electric Department.

Commissioner Yost asked that an addition of item #4.5 be added to the current Purchasing Policy, which reads: Projects of \$100,000 or more should be approved by the Commission after a bid analysis.

The Commission will review the policy over the next couple of weeks and be prepared to amend it at the October 3, 2016 Commission meeting.

GENERAL MANAGER'S REPORT

Update on Seawall Repair

Mr. Scofield gave an update to the Commission about the seawall project. Back in the spring of 2016, it was brought to the attention of TTD that the seawall in the back of the property was in need of repair and needed to be replaced on an emergency basis. Mr. Scofield has been working with the State and DEEP to get the proper permits to begin the work. In addition, the project was put out to bid and Giunta Bolduc won the bid. Mr. Bolduc was not only the low bidder, but also recommended by others in the area as being highly qualified.

The work began on September 6, 2016 and is expected to be completed within 3 weeks of its start. Mr. Scofield believes the work could be completed prior to that based on the progress they are making. The total cost of the project is \$33,111.30 and TTD was able to put this through the insurance as a claim. The insurance portion was \$24,250, which left a balance of \$8,861.30 for TTD to pay on the project.

Recap of Summer Concerts

Mr. Scofield gave a recap of the summer concert series. A total of 8 concerts were scheduled for the season and 2 were cancelled due to weather conditions. Attendance was good, with an average 400/concert. Record attendance was 850 for Tim Currie's Motown Band.

Mr. Smith suggested to the Commission that they consider hosting an indoor winter concert and this appeared to be well-received by all.

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Commissioner Brown suggested the local bands, i.e., The Fairfield Counts and Tim Currie's Motown Band should be grandfathered into the selection. Other suggestions included hosting concerts on Tuesday night during the season as well as Sundays, i.e., 5 on Sunday and 3 on Tuesday.

Mr. Scofield will prepare his list of questions for the Commission and send it out to them over the next week or so in order for the Commission to respond at the October 17, 2016 meeting and make decisions for the 2017 concert series.

Update on CMEEC Fuel Cell Projects

Mr. Smith informed the Commission that vendors of fuel cells have been aggressively contacting the CMEEC municipalities about fuel cell projects in each of their areas. Fuel cell projects will take an entity completely off the grid. They are considered self-serving 24/7/365.

At a recent Board meeting at CMEEC, a vote was taken as to whether or not the members wanted to participate in the upcoming spa project in Norwich. TTD's participation would equate to 6% of the cost. TTD initially declined, but Mr. Smith was then approached and was told that he could participate with only 1%. Commissioner Brown and Mr. Smith discussed this and decided to participate at the 1% level.

PROJECT SUMMARY

Economic Development – With regard to the upcoming mall project, Mr. Smith informed the Commission that the mall developers are now interested in having TTD for a full back-up supplier.

Frontier Poles – Mr. Smith has been in contact with Frontier to see if they would be willing to sell their poles to TTD. Bottom line is that Frontier wants to keep control and is not willing to sell the poles at this time. Next step would be to draft a Pole Attachment Fee Agreement for Frontier, similar to the one currently in place with Cablevision.

DOT Communications – Commissioner Goldstein asked if any research had been conducted on the cost of an electronic sign per a past discussion. She was informed that research had been conducted and the cost of an electronic sign was quite expensive (\$18,000+).

EXECUTIVE SESSION

**** COMMISSIONER BROWN MOVED TO TABLE THE EXECUTIVE SESSION TO A SPECIAL MEETING TO BE HELD ON TUESDAY, SEPTEMBER 27, 2016 AT 7:00 P.M.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Third Taxing District
of the City of Norwalk
September 12, 2016

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ADJOURNMENT

- ** COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.
- ** COMMISSIONER YOST SECONDED.
- ** THE MOTION PASSED UNANIMOUSLY.

The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

**Third Taxing District
Financial Highlights
Jul-Aug 2016 vs. Jul-Aug-2015**

	Jul-Aug-2016	Jul-Aug-2015	\$ Change	% Change
Total Income	1,625,614	1,666,785	-41,170	-2%
Total Expense	1,807,803	1,767,901	39,902	2%
Net Ordinary Income	(182,189)	(101,117)	(81,072)	-80%
Other Income	66,053	56,457	9,596	17%
Other Expense	88	504	(416)	-83%
Net Income before Rate Stabilization	(116,224)	(45,163)	(71,060)	-157%
Rate Stabilization	331,754	305,616	26,138	9%
Net Income	215,530	260,453	(44,922)	-17%

CASH BALANCES FY 2016

	Aug-16
ACCTS	
Operating Accounts	902,128
Construction WIP	18,791
Savings	1,431,973
Capital Improvements Fund	768,274

TTD Outstanding Principal Balance with CMEEC

Balance as of July 1, 2016	4,345,583
Current Balance	4,345,583
Current Fiscal Year Capital Additions to date	131,323

Power Supply	Current Fiscal Year-to-Date	Last Fiscal Year-to-Date	\$ Change	% Change
Energy Cost	\$ 718,571	\$ 689,571	\$ 29,000	4%
Budget Energy Cost	\$ 661,085	\$ 655,092	\$ 5,993	1%
Energy Cost Cents/KWH	10.700	10.300	\$ 0.40	4%

**Third Taxing District
Profit & Loss Prev Year Comparison
August 2016**

	Aug 16	Aug 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	19,997.89	15,336.50	4,661.39	30.39%
440-00 · Residential Sales	439,945.51	444,120.78	-4,175.27	-0.94%
442-01 · Large Commercial Sales	91,316.49	99,531.80	-8,215.31	-8.25%
442-02 · Small Commercial Sales	271,978.43	305,252.11	-33,273.68	-10.9%
445-01 · Water Pollutn Contrl Pint Sales	80,115.06	102,058.17	-21,943.11	-21.5%
445-02 · Fiat Rate	8,655.54	8,655.54	0.00	0.0%
451-00 · Miscellaneous Service Revenue	4,819.31	12,779.94	-7,960.63	-62.29%
557-00 · Purchased Power Adjustment	154,337.04	167,544.69	-13,207.65	-7.88%
Total Income	1,071,165.27	1,155,279.53	-84,114.26	-7.28%
Cost of Goods Sold				
555-00 · Electrical Power Purchased	718,571.06	689,571.22	28,999.84	4.21%
Total COGS	718,571.06	689,571.22	28,999.84	4.21%
Gross Profit	352,594.21	465,708.31	-113,114.10	-24.29%
Expense				
904-00 · Substation	10,422.28	16,486.00	-6,063.72	-36.78%
403-00 · Depreciation Expense	64,676.80	62,283.00	2,393.80	3.84%
408-00 · Taxes	1,458.33	1,485.97	-27.64	-1.86%
540-00 · Other Power Generation Expense	14,271.50	8,249.73	6,021.77	72.99%
580-00 · Distribution Expenses	10,750.46	7,784.12	2,966.34	38.11%
590-00 · Maintenance Expenses	49,118.54	52,971.22	-3,852.68	-7.27%
900-00 · Customer Accounts & Service	18,364.19	18,552.84	-188.65	-1.02%
920-00 · Administrative Expenses	160,208.53	128,080.31	32,128.22	25.08%
Total Expense	329,270.63	295,893.19	33,377.44	11.28%
Net Ordinary Income	23,323.58	169,815.12	-146,491.54	-86.27%
Other Income/Expense				
Other Income				
418-00 · Dividends	3,850.00	7,680.02	-3,830.02	-49.87%
419-00 · Interest Income	1,100.00	1,504.29	-404.29	-26.88%
420-00 · Gain/(Loss) on Investments	0.00	-21,959.87	21,959.87	100.0%
421-00 · Norden Project Income	25,127.15	20,522.45	4,604.70	22.44%
424-00 · Energy Conservation Fund Income	14,295.30	2,405.96	11,889.34	494.16%
Total Other Income	44,372.45	10,152.85	34,219.60	337.04%
Other Expense				
942-00 · Interest Expense	0.00	367.31	-367.31	-100.0%
Total Other Expense	0.00	367.31	-367.31	-100.0%
Net Other Income	44,372.45	9,785.54	34,586.91	353.45%
Net Income before rate stabilization	67,696.03	179,600.66	-111,904.63	-62.31%
Rate Stabilization	129,749.19	157,538.74	-27,789.55	-17.64%
Net Income	197,445.22	337,139.40	-139,694.18	-41.44%

Pg. 9

Third Taxing District
Profit & Loss Prev Year Comparison
July through August 2016

	Jul - Aug 16	Jul - Aug 15	\$ Change	% Change	
Ordinary Income/Expense					
Income					
443-00 · Cervalis Data Center Revenues	19,997.89	15,336.50	4,661.39	30.39%	
440-00 · Residential Sales	613,741.67	600,916.51	12,825.16	2.13%	
442-01 · Large Commercial Sales	148,395.98	159,177.71	-10,781.73	-6.77%	
442-02 · Small Commercial Sales	434,073.54	459,629.84	-25,556.30	-5.56%	
445-01 · Water Pollutn Contri Pint Sales	139,995.07	164,120.63	-24,125.56	-14.7%	
445-02 · Flat Rate	11,452.77	11,452.77	0.00	0.0%	
451-00 · Miscellaneous Service Revenue	6,119.31	13,204.04	-7,084.73	-53.66%	
557-00 · Purchased Power Adjustment	251,837.95	242,946.56	8,891.39	3.66%	
Total Income	1,625,614.18	1,666,784.56	-41,170.38	-2.47%	
Cost of Goods Sold					
555-00 · Electrical Power Purchased	1,235,608.22	1,222,167.04	13,441.18	1.1%	
Total COGS	1,235,608.22	1,222,167.04	13,441.18	1.1%	
Gross Profit	390,005.96	444,617.52	-54,611.56	-12.28%	
Expense					
904-00 · Substation	26,973.17	32,230.73	-5,257.56	-16.31%	Footnote 1
403-00 · Depreciation Expense	129,353.60	124,566.00	4,787.60	3.84%	
408-00 · Taxes	2,399.78	2,337.95	61.83	2.65%	
540-00 · Other Power Generation Expense	12,614.01	10,600.94	2,013.07	18.99%	
580-00 · Distribution Expenses	13,175.61	10,377.29	2,798.32	26.97%	
590-00 · Maintenance Expenses	89,706.02	90,212.42	-506.40	-0.56%	
900-00 · Customer Accounts & Service	33,052.78	33,992.63	-939.85	-2.77%	
920-00 · Administrative Expenses	264,919.81	241,416.33	23,503.48	9.74%	Footnote 2
980-00 · General Community Expenses	0.00	0.00	0.00	0.0%	
Total Expense	572,194.78	545,734.29	26,460.49	4.85%	
Net Ordinary Income	-182,188.82	-101,116.77	-81,072.05	-80.18%	
Other Income/Expense					
Other Income					
418-00 · Dividends	4,450.00	7,680.02	-3,230.02	-42.06%	
419-00 · Interest Income	1,210.00	1,551.22	-341.22	-22.0%	
420-00 · Gain/(Loss) on Investments	0.00	-21,959.87	21,959.87	100.0%	Footnote 3
421-00 · Norden Project Income	52,258.16	37,933.05	14,325.11	37.76%	
423-00 · Gain/(Loss) from Sale of FA	0.00	8,724.65	-8,724.65	-100.0%	Footnote 4
424-00 · Energy Conservation Fund Income	8,135.00	476.76	7,658.24	1,606.31%	
425-00 · Miscellaneous Income	0.00	22,051.42	-22,051.42	-100.0%	Footnote 5
Total Other Income	66,053.16	56,457.25	9,595.91	17.0%	
Other Expense					
942-00 · Interest Expense	88.41	503.81	-415.40	-82.45%	Footnote 6
Total Other Expense	88.41	503.81	-415.40	-82.45%	
Net Other Income	65,964.75	55,953.44	10,011.31	17.89%	
Net Income before rate stabilization	-116,224.07	-45,163.33	-71,060.74	-157.34%	
Rate Stabilization Fund	331,754.22	305,616.05	26,138.17	8.55%	
Net Income	215,530.15	260,452.72	-44,922.57	-17.25%	

Third Taxing District
Profit & Loss Statement
Explanation of Major Variances
Jul-Aug-2016 vs. Jul-Aug- 2015

1. The decrease in the substation expense of \$5K is due primarily to a decrease in maintenance on the generators with HO Penn.
2. The \$23K increase in Administrative expenses is due to \$14K of current year expenses for seminars and training for Northeast Public Power and Hometown connection. The remaining increase is due to the timing of payments to Anthem for employee insurances/benefits.
3. The gain or loss on investments in the prior year is representative of the fair market value adjustment for the investments account. Last year there were monthly statements issued which are now quarterly. The investments account will be adjusted to fair market value at 09/30/2016.
4. The gain or loss from sale of fixed assets in the prior year was due to sale of scrap with Jerry's Electric and LaJoies. There currently is no sale of scrap year-to-date.
5. The amount in miscellaneous income of \$22K in the prior year was a payment with regards to the Shorehaven Project. This income was offset to the appropriate expense account at year end 06/30/2015. Currently the Shorehaven project is complete.
6. The decrease in interest expense is due to the fact that the line of credit with Patriot Bank was paid off in July-2016.

THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)

		2016	August 2015	Industry Average (Bandwidth)	
1)	<i>OPERATING RATIO</i>	TOTAL OPERATING EXPENSE / TOTAL OPERATING REVENUE	111.21%	106.07%	87% - 92%
2)	<i>POWER SUPPLY EXPENSE RATIO</i>	TOTAL POWER SUPPLY EXPENSES / TOTAL EXPENSES	68%	68%	65% - 70%
3)	<i>BAD DEBT RATIO</i>	TOTAL CUSTOMER ACCOUNTS OVER 90 DAY / TOTAL ACCOUNTS RECEIVABLE	4.70%	5.30%	3% - 10%
4)	<i>ACTUAL RATE OF RETURN ON RATE BASE</i>	AUTHORIZED BY STATE STATUTE	N/A	N/A	Varies by state
5)	<i>ELECTRIC CUSTOMERS PER EMPLOYEE</i>	TOTAL ELECTRIC CUSTOMERS / TOTAL FULL TIME EMPLOYEES	316	345	200 - 500

09.12

East Norwalk - PCA Calculation
 Power Cost Adjustment Calculation
 6 Month Rolling Average (starting January 2012)

	2015												2016 August												
	September	October	November	December	January	February	March	April	May	June	July	August													
Total Energy	kWh																								
h	Grand Total Purchased Power Costs	\$	568,377	\$	463,677	\$	468,977	\$	516,466	\$	614,916	\$	569,587	\$	501,206	\$	457,783	\$	474,985	\$	535,454	\$	700,154	\$	718,571
i	(Sum of current and previous 5 months)	\$	3,347,449		3,213,771		3,211,856		3,239,664		3,309,181		3,192,001		3,124,830		3,118,935		3,124,943		3,143,931		3,229,169		3,386,153
j	kWhs Purchased	kWh	5,265,186		4,309,272		4,347,256		4,808,142		5,732,210		5,199,650		4,838,845		4,204,693		4,427,132		4,985,645		6,533,151		6,288,482
k	Total Purchased Power kWh Units	kWh	31,195,242		29,892,175		29,851,906		30,125,111		30,791,548		29,692,716		29,026,375		28,821,796		29,001,672		29,188,075		29,989,016		31,087,848
l	(Sum of current and previous 5 months)	kWh																							
m																									
n	Power Supply Costs @ Retail	\$	0.11332		0.11353		0.11362		0.11356		0.1135		0.1135		0.1137		0.1139		0.1138		0.1137		0.1137		0.1151
o	Base Fuel Cost	\$	0.0958		0.0958		0.0958		0.0958		0.0958		0.0958		0.0958		0.0958		0.0958		0.0958		0.0958		0.0958
p	Loss Factor	%	5.6%		5.6%		5.6%		5.6%		5.6%		5.6%		5.6%		5.6%		5.6%		5.6%		5.6%		5.6%
q	Calculated PCA	\$	0.01752		0.01773		0.01782		0.01776		0.0177		0.0177		0.0179		0.0181		0.0180		0.0179		0.0179		0.0193
r	Actual PCA Implemented	\$	0.02700		0.02700		0.02700		0.02700		0.02700		0.02700		0.02700		0.02700		0.02700		0.02700		0.02700		0.02700
s	Total System Retail Sales (kWh's)	kWh	5,661,576		4,337,332		4,113,905		3,903,723		5,412,281		4,867,776		4,672,645		4,556,440		3,943,809		5,127,075		5,691,169		6,068,461
t	Base PCA Revenue	\$	542,379		415,516		394,112		373,977		518,497		466,333		447,639		436,507		377,817		491,174		545,217		641,713
u	Fuel Factor Revenue	\$	152,863		117,108		111,075		105,401		146,132		131,430		126,161		123,024		106,483		138,431		153,662		180,858
v	Total Revenues through PCA	\$	695,242		532,624		505,188		479,377		664,628		597,763		573,801		559,531		484,300		629,605		698,879		822,571
w	Difference of Collection vs Expense	\$	(239,567)		(170,620)		(134,410)		(171,499)		(121,786)		(83,610)		(11,016)		90,732		100,047		194,197		192,923		296,923

pg. 13

THIRD TAXING DISTRICT
ELECTRICAL DEPARTMENT

PURCHASES AND QUOTATIONS
9/4/15

It is the policy of the Third Taxing District of the City of Norwalk and the Board of Commissions to support the practice of purchasing products and or services that provide the best value based on quality, service, and price.

The following guidelines shall apply:

1. In purchasing or leasing, materials & supplies or services, if any single item to be purchased or leased or the total amount of any service contract does not exceed \$5000 in total payments, no quotations or written bids shall be required. However, any such purchase, lease, or service in this Section shall require prior approval of the General Manager or Commission.
2. In purchasing or leasing materials & supplies or services, if any single item to be purchased or leased, or the total amount of any service exceeds \$5000 but is less than \$10,000, three quotes will be required and must be noted and filed accordingly. Any such purchase, lease, or service in this Section shall require prior approval of the General Manager or Commission.
3. In purchasing or leasing materials & supplies or services, if any single item to be purchased or leased, or the total amount of any service exceeds \$10,000 but is less than \$15,000 (fifteen thousand dollars), three quotes will be required and must be noted and filed accordingly. Any such purchase, lease, or service in this Section shall require prior approval of the Commission.
4. In purchasing or leasing materials & supplies or services, if any single item to be purchased or leased, or the total amount of any service exceeds \$20,000 (twenty thousand dollars), bid

specifications will be generated and advertised at a minimum in the *Norwalk Hour*, and in additional suitable publications at the discretion of the General Manager. Subsequent to noticing the bid request as above, a reasonable attempt should be made to solicit additional bids from reputable vendors by contacting them by mail or phone. A minimum of three written bids shall be required (and must be filed accordingly). Any such purchase, lease, or service in this Section shall require prior approval of the Commission.

5. Quotes and written bids must come from reputable companies who meet the proper insurance requirements. The Commission reserves the right to reject any and all bids for any reason it deems necessary, however, preference will be given to the lowest bidder based on quality, service, reputation and whether or not the business is local.
6. "Approval by the Commission" can take place by (a) a Commission vote taken during a special or regular meeting, or (b), the specific item to be purchased or leased must be clearly identified in a budget already approved by the Commission.
7. Repairs such as vehicle or equipment repairs, where it would be impractical to get competitive prices, may be authorized by the General Manager without competitive prices.
8. Repairs such as vehicle or equipment repairs, where it would be impractical to get competitive prices, may be authorized by the General Manager without competitive prices.

9. The General Manager may have flexibility and use discretion in applying this policy based on experience and professional judgment (i.e. Single source bidder, unable to get quotes due to the nature of the items, etc.

10. Generally, professional services are exempt from this policy. The General Manager shall keep the Commission informed on an as-needed basis as decisions are made to hire individuals / firms with a specific expertise.



Third Taxing District

2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271
Fax: (203) 866-9856

MEMORANDUM

To: Commissioners

From: Ron Scofield 

Date: October 3, 2016

Re: Annual Christmas Tree Lighting

Our Annual Christmas Tree Lighting is scheduled for Sunday, December 11th at 6:00 p.m. with a rain date of Monday, December 12th at 6:00 p.m.

Attached is last year's program for reviewing purposes only.

I am looking for answers to the following:

1. Are there any changes you would like to see for this year?
2. What musical group would you like me to contact (i.e., Summertime or Currie's Motown Band)?
3. What part do each of you (Commissioners & Treasurer) want to take in the program, if any?

Ron

Pg. 17

District Commissioners

David L. Brown	203-866-8099	Chairman	James Smith	203-866-9271	General Manager
Charles L. Yost	203-853-0837	Commissioner	Ron Scofield	203-866-9271	Assistant General Manager
Debra Goldstein	203-252-7214	Commissioner	Michael Intrieri	203-866-3001	Treasurer



Merry Christmas

The Third Taxing District
Annual Christmas Tree Lighting Ceremony

Sun., December 13, 2015 – 5:00 p.m.

(Rain Date: Mon., December 14, 2015 - 6:00 p.m.)

GREETINGS FROM THE COMMISSIONERS AND TREASURER

Chairman
David Brown, ~~Commissioner~~

MERRY CHRISTMAS, EAST NORWALK

Commissioner
Charlie Yost, ~~Chairman~~ & Emcee of the Program

WELCOME FROM THE GENERAL MANAGER

Jim Smith, General Manager



MUSIC – TIM CURRIE’S MOTOWN BAND

(Sing-Along)

“Have Yourself a Merry Little Christmas”

MOMENT OF SILENCE

To remember our men and women serving in the
armed forces around the world.

Dr. Michael Intrieri, Treasurer

INVOCATION

Don Burr, Deacon-in-Formation
Christ Episcopal Church

MUSIC – TIM CURRIE’S MOTOWN BAND

(Sing-Along)

“Silent Night”



RECOGNITION OF CITY & STATE OFFICIALS

Debora Goldstein, Commissioner

Mayor Harry Rilling

Senator Bob Duff

State Representative Gail Lavielle

State Representative Chris Perone

Police Chief Thomas Kulhawik

Acting Fire Chief Lawrence Reilly

Councilwoman Michelle Maggio

Councilman John Kydes

Councilman Richard Bonefant

GREETINGS FROM THE CITY OF NORWALK

Mayor Harry Rilling

MARVIN SCHOOL CHORUS

Joan Skloot, Director

"Santa Claus Is Coming To Town"

"We Wish You A Merry Christmas"



MUSIC – TIM CURRIE’S MOTOWN BAND

(Sing-Along)

“We Are The World”

FOOD AND TOY DRIVE

Jim Smith, General Manager

Food donations to Society St. Vincent de Paul
Unwrapped, new toys for Toys For Tots

MUSIC – TIM CURRIE’S MOTOWN BAND

(Sing-Along)

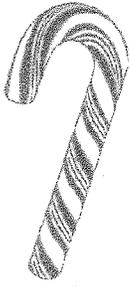
“Jingle Bell Rock”

SELECTION OF CHRISTMAS TREE LIGHTER

Ron Scofield, Assistant General Manager

LIGHTING OF THE CHRISTMAS TREE

Charlie Yost, Commission Chairman



MUSIC – TIM CURRIE’S MOTOWN BAND

(Sing-Along)

“Here Comes Santa Claus”

The Arrival of Santa Claus!!!



Candy Canes For ALL!



GENERAL MANAGER'S REPORT
(Note Page)

THIRD TANKING DISTRICT
PROJECT SUMMARY REPORT
FY 2016-2017



PREPARED BY:
JIM SMITH
GENERAL MANAGER

TABLE OF CONTENTS

PAGE #	PROJECT #	PROJECT
1	1	A-BASE METER REPLACEMENT PROGRAM
1	2	CUSTOMER SERVICE/MANAGEMENT TRAINING PROGRAM
1	3	SUCCESSION PLANNING PROCESS
2	4	RADIO-READ METER UPGRADE
2	5	UPGRADE FLEET VEHICLES
2	6	I/T SYSTEM MODIFICATIONS
3	7	COST OF SERVICE/RATE STUDY
4	8	STRATEGIC PLANNING PROCESS
5	9	MAPLEWOOD
5	10	PUBLIC RELATIONS/MARKETING PROGRAM
6	11	UPGRADE/ENHANCE FUEL TANKS @ 2 SECOND STREET
6	12	SUBSTATION UPGRADES AND IMPROVEMENTS
6	13	18 ROWAN STREET RENOVATION
7-10	14	MISCELLANEOUS
11	15	STATE (CT DOT) BRIDGE PROJECTS
11	16	CUSTOMER SERVICE RENOVATION PROJECT
12	17	BUYOUT OF FRONTIER POLES IN TTD SERVICE TERRITORY



THIRD TAXING DISTRICT – PROJECT SUMMARY

UPDATED: SEPTEMBER 30, 2016

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
1)	A-BASE METER REPLACEMENT PROGRAM	<ul style="list-style-type: none"> IN PROCESS WITH METER DEPT. 	ON-GOING UNTIL COMPLETED	<ul style="list-style-type: none"> SEPTEMBER 2016 – LETTERS WERE SENT TO SEVERAL CUSTOMERS DURING THE MONTH. NO REPLACEMENTS WERE MADE DURING THIS MONTH.
2)	CUSTOMER SERVICE/ MANAGEMENT TRAINING PROGRAM	<ul style="list-style-type: none"> TRAINING THROUGHOUT THE YEAR BASED ON TRAINING OPPORTUNITIES AND EMPLOYEE SCHEDULES. 	ALL OF 2016	<ul style="list-style-type: none"> SEPTEMBER 2016 – RON SCOFIELD/CYNTHIA TENNEY COMPLETED A THREE-PART WEBINAR SERIES SPONSORED BY APPA ON CYBERSECURITY/RISK MANAGEMENT DURING AUGUST/ SEPTEMBER 2016.
3)	SUCCESSION PLANNING PROCESS	<ul style="list-style-type: none"> COMPLETE WITH PERIODIC REVIEW NEW LINEMAN TO BE HIRED DURING SECOND HALF OF FISCAL YEAR. 	ON-GOING	<ul style="list-style-type: none"> SEPTEMBER 2016 – UPDATED COMMISSION ON POTENTIAL KEY SUCCESSION PLANNING ISSUES (SUBSTATION/ ENGINEERING POSITION, G/M REPLACEMENT) AT PERFORMANCE EVALUATION DURING THE LAST WEEK OF SEPTEMBER.



PROJECT **STATUS** **TIMELINE** **COMMENTS/MONTHLY UPDATE**

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
4)	RADIO-READ METER UPGRADE	<ul style="list-style-type: none"> APPROXIMATELY 61% OF THE SYSTEM HAS BEEN COMPLETED. 	ON-GOING THROUGH 2015 INTO 2016	<ul style="list-style-type: none"> SEPTEMBER 2016 – INSTALLED 70 RADIO READ METERS DURING THE MONTH IN VARIOUS LOCATIONS AROUND THE DISTRICT FOR A TOTAL OF 2,333 OR 61% OF THE DISTRIBUTION SYSTEM.
5)	UPGRADE FLEET VEHICLES	<ul style="list-style-type: none"> PURCHASING/LEASING VEHICLES IN ACCORDANCE WITH FIVE-YEAR FLEET VEHICLE REPLACEMENT SCHEDULE. 	ON-GOING WITH PERIODIC UPDATES	
6)	I/T SYSTEM MODIFICATIONS	<ul style="list-style-type: none"> ON-GOING TO CREATE GREATER EFFICIENCIES WHEREVER POSSIBLE. 	PERIODIC UPDATES AS NECESSARY.	



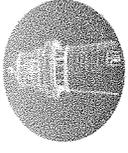
COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
7)	CONDUCT COST OF SERVICE/RATE STUDY WITH PERIODIC UPDATES	<ul style="list-style-type: none"> INITIAL STUDY CONDUCTED IN 2013 WITH RESULTS IMPLEMENTED IN OCTOBER 2014. UPDATE/ "TUNE-UP" COMPLETED IN JULY 2016. 	COMPLETION DATE – 3 RD QTR 2016.	<ul style="list-style-type: none"> SEPT. 2016 – A FORMAL PRESENTATION OF THE RESULTS OF THE FINANCIAL PROJECTION/RATE STUDY UPDATE WAS MADE TO THE COMMISSION BY UFS AT THE SEPTEMBER 12TH COMMISSION MEETING. THE KEY TAKE-AWAYS WERE: <ul style="list-style-type: none"> ALL FINANCIAL TARGETS WERE MET OR EXCEEDED FOR THE PERIOD 2016-2020. NO RATE ADJUSTMENTS ARE ANTICIPATED TO BE REQUIRED THROUGH 2020 OTHER THAN A 1.5% INFLATIONARY ADJUSTMENT IN 2020 BASED ON THE ASSUMPTIONS OUTLINED IN THE REPORT.



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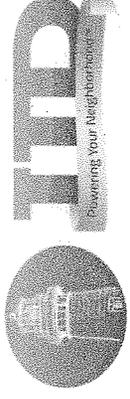
PROJECT

STATUS

TIMELINE

COMMENTS/MONTHLY UPDATE

<p>8)</p>	<p>STRATEGIC PLANNING PROCESS</p>	<ul style="list-style-type: none"> • TO BE PRESENTED TO COMMISSION AT THE FEBRUARY 1, 2016 MEETING. • PRESENTED AND APPROVED AT THE FEBRUARY 1, 2016 MEETING. • INITIAL SESSIONS WERE CONDUCTED WITH THE STAFF AND COMMISSION ON MAY 18TH AND 19TH. • FOLLOW-UP MEETINGS HAVE BEEN SCHEDULED WITH THE STAFF AND COMMISSION FOR AUGUST 16TH AND 17TH. • MEETINGS HAVE BEEN SCHEDULED WITH THE COMMISSION AND STAFF ON SEPTEMBER 27TH. • FUTURE MEETINGS ARE BEING SCHEDULED WITH COMMISSION AND STAFF. 	<ul style="list-style-type: none"> • BEGIN IN 1ST QTR 2016. • WORK CONTINUES THROUGH THE 3RD QUARTER OF 2016. 	<ul style="list-style-type: none"> • SEPTEMBER 2016 – THE FOLLOWING ACTIVITIES WERE UNDERTAKEN DURING THE MONTH: <ul style="list-style-type: none"> ○ A THIRD STRATEGIC PLANNING SESSION WAS HELD WITH THE COMMISSION ON SEPTEMBER 26TH TO FOLLOW-UP ON ISSUES ADDRESSED AT THE AUGUST 16TH MEETING. THE “SUMMARY OF ISSUES” DOCUMENT PREPARED BY STEVE VANDERMEER WAS DISCUSSED IN SOME DETAIL AND “ACTION ITEM” ASSIGNMENTS WILL BE FOLLOWED UP ON BY COMMISSIONERS/STAFF. ○ A FOLLOW-UP MEETING WAS ALSO HELD WITH STAFF ON SEPTEMBER 27TH TO DISCUSS STRATEGIC ISSUES DISCUSSED WITH THE COMMISSION AND SOLICIT ANY ADDITIONAL STAFF INPUT ON THESE ISSUES.
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COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
9)	MAPLEWOOD	<ul style="list-style-type: none"> CASE HAS BEEN SETTLED IN FAVOR OF TTD.. 	LITIGATION COMPLETE.	<ul style="list-style-type: none"> SEPTEMBER 2016 – WE ARE CONTINUING TO FINALIZE ANY OPEN ISSUES RELATED TO MAPLEWOOD, INCLUDING THE SERVICE TERRITORY AGREEMENT WITH EVERSOURCE, ENERGY CONSERVATION INCENTIVES, AND THE DEPOSIT ISSUE.
10)	PUBLIC RELATIONS/ MARKETING PROGRAM	<p>JUMAR CONTRACT RENEWED THROUGH APRIL OF 2017 BASED ON A DECISION AT THE APRIL 7, 2016 MEETING, WITH THE STIPULATION THAT THE CONTRACT FOR PROVIDING THESE SERVICES BE “BID OUT” NEXT YEAR.</p>	ONGOING BASED ON CONTRACT WITH JUMAR.	<ul style="list-style-type: none"> SEPTEMBER 2016 – MET WITH JUMAR TO REVIEW PUBLIC RELATION STRATEGIES REGARDING PUBLIC POWER WEEK. PUBLIC POWER WEEK IS CELEBRATED THE FIRST WEEK IN OCTOBER BY PUBLIC POWER SYSTEMS AROUND THE COUNTRY HIGHLIGHTING THE CONTRIBUTIONS THAT MUNICIPAL SYSTEMS MAKE TO THEIR COMMUNITIES. TDD WILL PARTICIPATE BY OFFERING A FREE LED LIGHT BULB GIVE-AWAY ON A LIMITED BASIS AND PARTICIPATE IN THE SEVERAL PROGRAMS WITH THE MARVIN SCHOOL.



COMMENTS/MONTHLY UPDATE

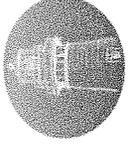
TIMELINE

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PROJECT

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#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
11)	UPGRADE/ENHANCE FUEL TANKS @ 2 SECOND STREET	<ul style="list-style-type: none"> NEW TANKS INSTALLED ARE IN COMPLIANCE WITH ALL STATE AND FEDERAL REGULATIONS. 	COMPLETED SEPTEMBER 2016.	<ul style="list-style-type: none"> SEPTEMBER 2016 – PROJECT COMPLETED DURING THE MONTH.
12)	SUBSTATION UPGRADES AND IMPROVEMENTS	<ul style="list-style-type: none"> PROJECTS ON-GOING IN ALL SUBSTATIONS IN ORDER TO UPGRADE/ MAINTAIN COMPLIANCE WITH CONVEX/NERC/ FERC REQUIREMENTS. 	ON-GOING THROUGHOUT 2015-16 FISCAL YEAR.	
13)	18 ROWAN STREET RENOVATION	<ul style="list-style-type: none"> PROPERTY ACQUIRED, HOUSE DEMOLISHED AND LOT REPAVED. FINAL STEP IS TO SITE A MATERIALS STORAGE FACILITY ON THE SITE. 	RESCHEDULED TO SUMMER 2016.	<ul style="list-style-type: none"> SEPTEMBER 2016 – WE ARE CONTINUING TO WAIT ON A DATE FROM PLANNING AND ZONING BASED ON SITE PLANS THAT HAVE BEEN SUBMITTED.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
14)	<u>MISCELLANEOUS</u> • ANNUAL REVENUE/EXPENSE BUDGET/FIVE-YEAR CAPITAL BUDGET FOR FY 2016-17	COMPLETED.	RE-OCCURRING	



COMMENTS/MONTHLY UPDATE

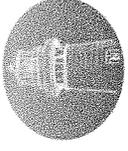
TIMELINE

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PROJECT

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#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
14)	<ul style="list-style-type: none"> • <u>MISC. (Cont.)</u> • NORDEN GENERATORS • SOLAR PROJECTS • ANNUAL FINANCIAL AUDIT (FYE 6/30/16) 	<p>PERIODIC TESTING FOR "BLACK START" BACK-UP TO THE NORDEN FACILITY AND RUN INTO THE ISO LFR MARKET.</p> <p>POTENTIAL PROJECTS DISCUSSED WITH RESIDENTIAL AND COMMERCIAL CUSTOMERS.</p>	<p>ON-GOING</p> <p>ON-GOING</p> <p>EXPECTED COMPLETION DATE- OCTOBER 15TH OF EACH YEAR</p>	<ul style="list-style-type: none"> • SEPTEMBER 2016 – STAFF IS FINALIZING INFORMATION RELATED TO THE AUDIT FOR 6/30/16. WE ARE ON TRACK TO COMPLETE THE AUDIT IN THE MID TO LATE OCTOBER TIMEFRAME.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

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	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
	<ul style="list-style-type: none"> • <u>MISC. (Cont.)</u> • SCADA PROJECT 	<p>PROJECT BEGINS JULY 2015</p>	<ul style="list-style-type: none"> • 1ST/2ND PHASE (SECOND STREET-FITCH STREET SUB-STATION) – JULY 2015 – JULY 2016 • 3RD PHASE (EAST AVENUE) JULY 2016 – NOVEMBER 2016 • 4TH PHASE – NOVEMBER 2016 - FEBRUARY 2017 • 5TH PHASE – FEBRUARY 2017 – MAY 2017 	<ul style="list-style-type: none"> • SEPTEMBER 2016 – WORK IS CONTINUING ON PHASE III OF THE PROJECT.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#

	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
	<p><u>MISC. (Cont.)</u></p> <ul style="list-style-type: none"> • COMMERCIAL CUSTOMER VISITS • ECONOMIC DEVELOPMENT INITIATIVES 	<p>ON-GOING AS SCHEDULES PERMIT</p> <p>ON-GOING MEETINGS WITH ELIZABETH STOCKER, THE CITY OF NORWALK'S ECONOMIC DEVELOPMENT DIRECTOR</p>	<p>THROUGHOUT 2016</p> <p>THROUGHOUT 2016</p>	<ul style="list-style-type: none"> • SEPTEMBER 2016 – FINALIZED TWO SEPARATE OPTIONS FOR A FEEDER SYSTEM FOR THE MALL. THE COST OF EACH SYSTEM RANGES BETWEEN \$1.5 TO \$2.5 MILLION. WE HAVE SET UP MEETINGS WITH SNEW AND THE MALL DEVELOPERS IN EARLY OCTOBER TO DISCUSS THE PREFERRED ALTERNATIVE.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
15)	STATE (CT DOT) BRIDGE PROJECTS	INITIAL LETTER FROM CT DOT TO TTD ISSUED IN MARCH 2016. REGULAR UPDATES HAVE BEEN RECEIVED FROM CT DOT/PARSONS BRINKERHOFF AS INFORMATION IS REQUIRED.	REMAINDER OF 2016 INTO 2017 AND BEYOND.	<ul style="list-style-type: none"> • SEPTEMBER 2016 – WE ARE CONTINUING TO MONITOR ACTIVITIES FROM CT DOT.
16)	CUSTOMER SERVICE RENOVATION PROJECT	PROJECT BEGAN IN THE 3 RD WEEK OF JULY 2016. WORK IS CURRENTLY UNDERWAY. LAST PHASE OF MULTI-YEAR RENOVATION OF 2 SECOND STREET OFFICE.	JULY 2016 THROUGH EARLY SEPTEMBER 2016.	<ul style="list-style-type: none"> • SEPTEMBER 2016 – CONSTRUCTION ACTIVITIES CONTINUE. CUSTOMER SERVICE AREAS ARE COMPLETE, FURNITURE INSTALLED, SUPPLY CLOSET, CONFERENCE ROOM BEING FINALIZED.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
17)	BUYOUT OF FRONTIER POLES IN TTD SERVICE TERRITORY	<ul style="list-style-type: none"> INITIAL DISCUSSION STAGES 	AUGUST, SEPTEMBER 2016	<ul style="list-style-type: none"> SEPTEMBER 2016 – FRONTIER HAS REJECTED OUR OFFER TO BUYOUT THEIR SHARE OF THE POLES IN TTD'S SERVICE TERRITORY. THEIR RESPONSE WAS BASED ON MAINTAINING CONTROL OF THEIR POLES AND NOT WANTING TO PAY ANY ADDITIONAL POLE ATTACHMENT FEES. WHILE DISAPPOINTING, THEY HAVE AT LEAST AGREED TO ADDRESS OUR RESPONSE ISSUES ON POLE CHANGE-OVERS (VERY SLOW) AND PROVIDE EXPEDITED ASSISTANCE ON ALL SERVICE AND JOINT POLE ISSUES AND REQUESTS MOVING FORWARD.