



Third Taxing District

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East Norwalk, CT 06855

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Third Taxing District of the City of Norwalk

Commission Meeting

Monday, July 6, 2015 at 7:00p.m.

At the Third Taxing District Office, 2 Second Street, East Norwalk, CT

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – June 1, 2015 (Pgs. 1-6), June 23, 2015 Special Mtg. (Pgs. 7-12) (A/R)
3. TTD ByLaws (Pgs 13-26)
4. Library Master Plan Discussion
5. General Manager's Report (Pg. 27)
 - Discussion on Department Policies
 - Concert Procedures
6. Discussion/Analysis of Financial Statements/Key Performance (Pgs. 28-34)
7. Executive Session
 - Personnel
8. Adjourn

*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, www.ttd.gov and will be available at the meeting.

M:\Shared\ Commission Meeting Information\Agenda 7-6-15.doc

District Commissioners

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

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THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
June 1, 2015

ATTENDANCE: Commissioners: Charles Yost, Chair; Debora Goldstein, Dr. Michael Intriери

STAFF: Jim Smith, General Manager

CALL TO ORDER

Commissioner Yost called the meeting to order at 7:03 p.m. A quorum was present.

PUBLIC COMMENT

There was no one present from the public.

MINUTES OF MEETING

May 4, 2015

The following corrections were noted:

Page 5 – Under ByLaw Review – The last paragraph should read:

After further discussion, it was decided that Commissioner Goldstein would work collaboratively on the project with the Commission to produce a rough draft for a future meeting.

Page 6 – Top paragraph – Change the last sentence to read:

Further discussion will take place at a future meeting.

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF MAY 4, 2015 REGULAR MEETING AS CORRECTED.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

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May 20, 2015

**** COMMISSIONER YOST MOVED TO APPROVE THE MINUTES OF MAY 20, 2015 SPECIAL MEETING.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

May 21, 2015

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF MAY 21, 2015 SPECIAL MEETING.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES TO CHANGE THE ORDER OF THE AGENDA AND MOVE THE EXECUTIVE SESSION UP TO ITEM #3.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

EXECUTIVE SESSION

**** COMMISSIONER GOLDSTEIN MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS THE MAPLEWOOD CLAIM.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Dr. Intrieri, and Mr. Smith entered into Executive Session at 7:10 p.m.

**** COMMISSIONER GOLDSTEIN MOVED TO EXIT THE EXECUTIVE SESSION AND RETURN TO THE PUBLIC SESSION.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Dr. Intrieri and Mr. Smith returned to public session at 7:25 p.m.

MARVIN SCHOOL GRANT PAYMENT

At the May 4, 2015 meeting, the Commission approved a grant in the amount of \$5,000 for the Marvin School, but no vote was taken as to what account would be used to pay the grant. Mr. Smith presented three options for the payment – CL&M fund (CMEEC), Other District Services

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(in the District Budget) or the Contributions Expense category (2015-16 Operating Budget). Discussion took place about the grant and what account should be used to pay it.

**** COMMISSIONER GOLDSTEIN MOVED TO TAKE THE MARVIN GRANT PAYMENT MONEY OUT OF OTHER DISTRICT SERVICES.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES AND ADD AN AGENDA ITEM CALLED TREE ADVISORY COMMITTEE.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

TREE ADVISORY COMMITTEE

Commissioner Goldstein reminded the Commission about the request that had been made from the Tree Advisory Committee for planting trees in the District. Discussion took place about the request and how much should be donated to the Tree Advisory Committee for the upcoming fiscal year.

**** COMMISSIONER GOLDSTEIN MOVED TO TRANSFER \$2,000 FROM OTHER DISTRICT SERVICES AS REQUESTED BY THE TREE ADVISORY COMMITTEE.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

CAPITAL/OPERATING BUDGETS REVIEW

Mr. Smith presented the Capital/Operating Budgets to the Commission. He went through the 2015-16 Annual Revenue and Expense Budget and based on the work completed, TTD has a \$11,269,000 budget in terms of revenue. After all expenses are taken out, the Net Income is \$557,900 on a cash basis.

Commissioner Yost asked if columns could be added to the report for comparison purposes to last year in order to have a benchmark, specifically last year and year-to-date. Mr. Smith replied that he would get the detail added to the report. Further discussion took place with regard to the Operating Budget and Mr. Smith answered all questions asked.

Mr. Smith then presented the Capital Operating Budget for review. The total capital projects for FY 2015-16 is \$1,710,200 and includes SCADA. He then presented the Priority List Options and said that if we went with the best scenario (all projects), the request would be for approximately \$1.2 million plus the SCADA (\$493,500) project. Mr. Smith's recommendation would be for something between the "middle" (\$1.5 million) and "worst" (\$1 million) case, which includes the SCADA project for \$493,500. He then presented the Funding Schedule for the projects and reviewed the accounts available for the funding.

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Mr. Smith then reviewed the fleet schedule with the Commission and explained that within the next year or two, the fleet vehicles will be in excellent shape.

Mr. Smith indicated to the Commission that this is just a preliminary discussion of the budgets. He will take the Commission's suggestions as to what they would like to see added in terms of comparisons to last year and have it updated. He suggested that the Commission review it in full and then schedule a special meeting later in June to go over further details, answer any additional questions and then have the Commission vote on it.

ROOFING BIDS

Mr. Smith informed the Commission about the extremely poor condition of the roof over the garage area and that we are currently using buckets to catch water when it rains. As a result, TTD solicited Gill & Gill Architects, who drafted a roofing bid document on our behalf and put it out for bid. There were only two qualified bids submitted – J. Antonelli Roofing and Rick's Main Roofing. The reason for the bids being higher than anticipated is that the roof will need to be abated. Based on the results, Mr. Smith is recommending the low qualified bidder, Rick's Main Roofing, be awarded the project.

**** COMMISSIONER GOLDSTEIN MOVED THAT WE TAKE THE RECOMMENDATION FOR THE LOWEST QUALIFIED BIDDER, RICK'S MAIN ROOFING, IN THE AMOUNT OF \$39,231.00 WITH A VARIABLE OF +3%.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

GENERAL MANAGER'S REPORT

Utility 2.0

Mr. Smith provided the Commission with different articles on the subject of Utility 2.0, which is a hot topic in the industry right now. They are trying to figure out how the public power systems can prepare for the whole concept and how to figure out how to integrate renewable resources into the grid. With all the new products coming out (solar, wind, etc.), they will need to re-develop the business model over the next few years. The articles Mr. Smith provided contain background on the subject.

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE

Compared to April 2014, this April was a better month in terms of Net Income. Overall, we had a decent month in April, which contributed to the overall bottom line from July 2014 to April 2015. Currently, we have \$58,662 net income on a cash basis. The big driver is rate

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stabilization. Last year we were at a negative rate stabilization contribution. This year we're at approximately \$326K for the first 10 months of the year, which is approximately \$30K/month.

Sales and expenditures are relatively flat, although there has been more work done this year on the system, therefore keeping our costs down as much as possible.

A new line item has been added to the Profit & Loss Comparison – CMEEC debt, which is being paid off at approximately \$40K/month.

PROJECT SUMMARY

Mr. Smith told the Commission that under Succession Planning he has added the replacement for Bill Ruedeman, who they expect could retire sometime next year.

Commission Goldstein asked about the list of EV owners in the State of Connecticut. To date, TTD has not been able to secure this list, but will work on it for the future in order to help us better promote the EV Charging Station.

ADJOURNMENT

**** COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:35 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
June 1, 2015

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.

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THIRD TAXING DISTRICT
of the City of Norwalk
Special Commission Meeting
June 23, 2015

ATTENDANCE: Commissioners: Charles Yost, Chair; Debora Goldstein, Dr. Michael Intriери

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

PUBLIC: Sarah Mann, Stanley Siegel, Jim Anderson

CALL TO ORDER

Commissioner Yost called the meeting to order at 7:01 p.m. A quorum was present.

PUBLIC COMMENT

Sarah Mann stepped forward and spoke.

“First of all, my first question and statement is, why do all the Library Planning Committee meetings have to be in secret?”

Commissioner Yost: “Wait a minute. Are you expecting answers now or are you just making a statement?”

Ms. Mann: “Ideally, I’d like answers.”

Commissioner Yost: “We haven’t had one Library Committee Meeting. Continue.”

Ms. Mann: “Why did you have to read the resumes of the Planning Committee members in secret in Executive Session?”

Commissioner Yost: “What?”

Ms. Mann: “On May 21st, on the agenda, it shows that you were reading the resumes of the Library Planning Committee volunteers in Executive Session. That’s what is showed on your agenda.

Commissioner Goldstein: “We read two resumes.”

Ms. Mann: “That’s what the agenda showed.”

Third Taxing District
of the City of Norwalk
June 23, 2015

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Commissioner Goldstein: "What do the Minutes for that meeting say?"

Commissioner Yost: "We're not going to have a discussion here. We have 15 minutes. Go ahead. Continue."

Ms. Mann: "And finally, (handed out copies – see Attachment A) this is your Annual Minutes from your Annual Meeting. As you can see the electors voted in the meeting that there should be two Commissioners on the Planning Committee. So, moving forward, it looks like you guys wanted to have three Commissioners on the Planning Committee. Is that still correct?"

Commissioner Goldstein: "This is public comment. We're listening."

Ms. Mann: "Okay, so, it seems as though you all want to have three Commissioners on the Planning Committee, two Library Board members and three members of the public. I don't understand how you can arbitrarily change that when the electors have said two members, two Commissioners. That's all."

Commissioner Yost: "Thank you."

BOY SCOUTS/CONSTITUTION PARK FLAG POLE DISCUSSION

Mr. Smith presented David Shockley's request for Boy Scout Troop 19 to use the flag pole in Constitution Park for holiday and flag ceremonies. If permitted, they are asking if TTD would please make some minor repairs which consist of 2 new halyards and proper hand lines. The flag would be donated by the Boy Scout Troop.

The Commission's major concern was liability. Mr. Smith said that we have liability insurance coverage for all the parks in the district. Commissioner Yost asked Mr. Smith to contact the insurance agent and get a direct answer about this particular issue. Commissioner Goldstein also asked if Mr. Smith could find out whether or not the Boy Scouts have insurance or are willing to sign a waiver for the use of the park.

**** COMMISSIONER GOLDSTEIN MADE A MOTION TO AUTHORIZE MR. SMITH TO ACT BASED ON THE INFORMATION AND GUIDANCE PROVIDED TO SECURE EITHER CONFIRMATION OF LIABILITY INSURANCE ON THE BOY SCOUTS OR A WAIVER FOR TTD AND CERTIFICATION THAT THEY ARE GOING TO BE SUPERVISED BY AN ADULT AND THEN HE CAN CLOSE THE DEAL.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

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- ** COMMISSIONER GOLDSTEIN MOVED TO AUTHORIZE MR. SMITH TO MAKE THE REPAIRS TO THE FLAG POLE THAT ARE NECESSARY.**
- ** COMMISSIONER YOST SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

2015-16 ANNUAL REVENUE & EXPENSE BUDGET

Mr. Smith presented the Commission with the Operating Budget for FY 2015-16. The Commission reviewed the line items and had some questions, which were answered satisfactorily by Mr. Smith. Commissioner Yost asked that one change be made to the Operating Budget. Under Income, 443-00, Cervalis Data Center Revenues, he asked that the number be increased from \$72,000 to \$150,000. All other line items remained as is.

- ** COMMISSIONER YOST MOVED TO APPROVE THE ANNUAL OPERATING BUDGET FOR FY 2015-16.**
- ** COMMISSIONER GOLDSTEIN SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

FIVE-YEAR CAPITAL BUDGET FORECAST FY 2015-16 – FY 2019-20

Mr. Smith presented the Commission with the Capital Expense Budget for FY 2015-2016. Mr. Smith said he would like to request the “Middle” scenario under the Capital Projects Priority List for the upcoming year. The total request is \$1,551,000, and includes \$493,500 for SCADA which has to be done. The Commission reviewed the projects for consideration and asked questions, which were answered. Two of the projects which were discussed in detail were the Storage Facility and the WWTP, which are two of the larger projects on the Priority List.

Mr. Smith then presented the Funding Schedule for the Capital Projects. The Commission discussed the schedule and indicated concern that the funding was going to use half of what is currently in the Capital Improvement Account. Further discussion took place and it was decided to decrease the Capital Improvement Account funding from \$500,000 to \$250,000. The \$250,000 would then be taken from the CMEEC Rate Stabilization Fund, making the new funding amount from this account \$1,051,000.

- ** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE THIRD TAXING DISTRICT FY 2015-16 CAPITAL PROJECTS BUDGET AT THE MIDDLE CASE LEVEL WHICH IS \$1,551,000 INCLUDING SCADA ITEMS AND THE CAPITAL PROJECTS FUNDING SCHEDULE FOR THE SAME FISCAL PERIOD AS AMENDED AT THIS MEETING.**
- ** COMMISSIONER YOST SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

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Before adjourning the meeting Commissioner Yost addressed those members of the public in attendance.

Commissioner Yost: "If you guys want to sit down sometime and discuss whatever questions or issues you have, come to us. We want to talk."

Mr. Anderson spoke, but was unable to discern what was said.

Commissioner Yost: "Jim, you just went through a routine here that you didn't have to do. I want to have a meeting."

Ms. Mann spoke, but unclear what was said.

Commissioner Yost: "You're not going to get a discussion."

Ms. Mann: "That was really unfair. I'm an elected Board member, you didn't have to attack me."

Commissioner Yost: "I didn't attack you."

Ms. Mann: "You did to when I made the motion."

Commissioner Yost: "If you want to have a meeting, come to us and ask for a meeting. Okay?"

Ms. Mann: "Okay. Fair enough."

Commissioner Yost: "Thank you."

ADJOURNMENT

**** COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:42 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
June 23, 2015

From Page 11, TTD Annual Meeting Minutes 03/23/15

Acting Chairman LYONS said they have an amendment on the floor that has been seconded. She asked Ms. Cece to restate her amendment.

Ms. Cece said the amendment is that the East Norwalk Association would come back to the Third Taxing District Commissioners with a list of recommendations for the Masterplan so that the funding of those improvements could be decided by the Commission.

Chairman Yost asked if she would amend it to a list of recommendations chosen by the library committee of the Masterplan where you have public input, the library input, and the Commission input. Ms. Cece said she will.

Acting Chairman Lyons said so you're allowing a friendly amendment to your amendment to say the recommendations come from the library committee, which is composed of the public, library board members and two commissioners. Mr. Cuttner said he will accept that.

Acting Chairman Lyons called the vote and the motion passed 18 to 0.

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

OR

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

BY-LAWS

PURPOSES

The Third Taxing District ("District"), a political subdivision of the City of Norwalk, organized and existing under the laws of the state of Connecticut, has been formed and organized under authority granted to the by the Municipal Charter of the City of Norwalk ("Norwalk Charter"), the General Statutes of the State of Connecticut ("CGS:") and the laws of the United States of America.

Section 1. Powers. The municipal powers of the District, except for those powers specifically reserved to the electors of the Third Taxing District are vested in the Commission, subject to the CGS and the provisions of the Norwalk Charter as the same may be amended from time to time. The powers of the District shall be exercised in such manner as to confer upon the District's electors the benefits of a successful and profitable operation and conduct of its business, and to make electric power and energy and service relative thereto available at the lowest cost consistent with sound economy and good management.

Section 3. Regular Meetings. The Commissioners shall determine the calendar of regular meetings at a regular or special meeting scheduled for that purpose, and shall provide notification of the meeting schedule in conformance with the CGS. Notice of Regular Meetings of the Commission shall be provided in accordance with the CGS.

Section 4. Special Meetings. Special meetings of the Commission may be called by the Chairman. In the event of the absence, inability to perform or refusal to perform of the Chairman, the acting Chairman of the Commission shall be the elected Commissioner who has served on the Commission longest, or as otherwise provided for in these by-laws. Notice of Regular Meetings of the Commission shall be provided in accordance with the CGS.

Section 5. Annual Meeting. The Commission, the District Clerk and any employees and appointees of the Commission shall take all appropriate steps to notice and arrange for an Annual Meeting of the electors of the Third Taxing District as provided for in the Norwalk Charter. Commissioners and other such appointees and employees may attend the Annual Meeting of the electors for the purpose of answering questions and sharing information with electors about the recommended budget and other items as may properly be brought before the electors on the agenda of such meeting, but such attendance will not constitute a meeting of the Commissioners.

Section 6. Vacancies. A vacancy on the board of Commissioners shall exist in the event of the death, disability, imprisonment as a result of a lawful conviction, resignation, change in primary residence to an address outside of the Third Taxing District or for any other reasons specified in the Norwalk Charter and the CGS. The Commission shall take steps to fill any such vacancy as soon as reasonably possible in accordance with the Norwalk Charter and the CGS.

Section 7. Compensation. Members of the board of Commissioners shall be reimbursed their actual expenses while engaged in performing the duties of their office or while otherwise engaged in the business of the District, and in addition shall receive compensation as set forth in the Norwalk Charter, as approved by the District's rate-payers from time to time.

Section 8. Rules and Regulations. The Commission shall have power to make and adopt such rules and regulations, not inconsistent with the CGS, federal law or these by-laws as it may deem advisable for the management, administration and regulation of the business and affairs of the District.

Section 9. Conduct of Meetings. At the next regular meeting of the Commission following the election or re-election of a Commissioner in November of an odd-numbered year, the Commission shall vote to adopt and confirm such rules and regulations for the conduct of Commission meetings to remain in effect until the next regular municipal election. Such rules or regulations may include the following: (i) the means for including an agenda item without action by the Chairman; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) rules regarding the recording of regular or special meetings; and (v) limitations on the time allotted to questions or comments by participants during designated public comment periods; provide that no such rules or regulations are in conflict with the CGS or the rules of parliamentary procedure adopted by the Commission under this Section.

Section 10. Election of Chairman and Corporate Governance. At the regular meeting of the Commission following the elections in November of an even-numbered year, or at a Special Meeting called for that purpose no later than November 30th of that same year, the Commission shall elect or re-elect a Chairman to preside over Commission meetings for the next two years. The Commission shall provide for an annual self-evaluation during the same calendar period as any performance evaluation(s) of the General Manager or other senior management of the utility.

Section 11. Succession of Chairmanship. In the event of the absence, inability to perform or refusal to perform of the Chairman, the acting Chairman of the Commission shall be the elected Commissioner who has served on the Commission longest. In the event that both of the remaining Commissioners are serving terms by appointment, or either seat remains unfilled, the Commissioner who has served on the Commission longest shall act as Chairman. All periods of service on the Commission shall count for purposes of determining longest period of service, whether continuous or not.

Section 12. Meetings by Conference Telephone or Similar Device. Except as may otherwise conflict with the CGS, the Commission, or any properly formed committee designated by the Commission, may participate in a meeting by means of conference telephone or similar communications equipment; provided the Commissioners, Treasurer, District Clerk and any employees and appointees of the Commission whose participation is in accordance with the agenda for said meeting can hear each other; and provided that the meeting be held at a location which permits members of the public to observe participate in person when the agenda permits such public participation.

Section 13. Committees. The Commission may designate one or more committees, each committee to consist of at least two Commissioners, and any other appointees, employees, or

officials as the Commission may deem necessary or desirable to achieve the goals or tasks to be performed by such Committee. The Commission shall appoint a temporary Chairman and the quorum rules and voting standards for such Committee. Such committee shall in all respects perform its business at public meetings in accordance with the CGS and shall be properly noticed. However, such Committee shall not undertake to act on behalf of the Commission and no actions taken by such Committee shall be binding upon the Commission, whether or not the body consists of a quorum of, or the full body of, the Commission. Rather, any such actions taken by such a Committee shall make recommendations for the consideration of, and action by, the Commission at a regular or special meeting of the Commission.

Section 14. Communication by the Commission. No member of the Commission shall speak on behalf of the Commission in communications with the public unless empowered to do so by a vote of the Commissioners.

Section 15. Disclosure of Interest. If any Commissioner, the Treasurer, the District Clerk, or any employee, official or appointee of the Commission has a personal interest in, or the appearance of a personal interest in, any matter coming before the Commission, he or she shall inform the Commission as promptly as possible upon becoming aware of such conflict and shall refrain from voting upon, or participating in deliberations in which such matter is considered.

Section 16. Amendment of By-Laws. These by-laws may be amended or repealed, and new by-laws adopted, by the Board of Directors, but the stockholders entitled to vote may adopt additional by-laws and may amend or repeal any by-law whether or not adopted by them.

Section 17. Section Invalid. If any section of these by-laws is made invalid in effect by amendment to, or repeal of, any part of the Norwalk Charter or the CGS, or is declared to be in conflict with same by a court or regulatory body that has jurisdiction, then that section shall have no effect as if it were repealed by a vote of the Commission and the remainder of these by-laws shall remain in effect.

These By-Laws adopted by a unanimous vote of the Commission on _____, 2015

Governance Defined



APPA Webinars

The conveyance of a fiduciary duty to the governing body (requiring reasonable care, loyalty, good faith).....

..... to oversee the operations of the organization and to sustain and enhance its value.

Effective Governance

Duties and Responsibilities



APPA Webinars

1. Comply with statutory + fiduciary duties
2. Assure an effective chief executive
3. Approve strategic direction + policy guidance
4. Monitor + improve organization performance
5. Evaluate + improve board effectiveness

1. Statutory Duties



APPA Webinars

- **Legal Requirements** (fulfill statutory responsibilities)
 - State statutes, municipal ordinances, and utility charters citing control and oversight responsibilities, authorities, delegations, and regulatory responsibilities
- **Ethics** (*standards of individual behavior*)
 - Requirements that prohibit personal interests from conflicting with faithful performance of official duties; compliance with gift laws and codes of conduct
- **Public Access** (*open meetings and records laws*)
 - Requirements that deliberations, decision making, and communications be accessible to the public, except where excluded by law
- **Compliance** (*Federal, state and local laws and regulations*)
 - **Energy** – Congress, FERC, EPA, NERC, State Utility Commissions
 - **General**– Civil rights, anti-trust, OSHA, FLSA, Sarbanes/Oxley

1(b) Fiduciary Responsibilities



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- **Fiduciary Duty** (*Acting in the best interest of organization/owners*)
 - **Reasonable Care:** Use reasonable effort, exercise common-sense judgment, and apply reasonable diligence in meeting governance responsibilities
 - **Loyalty:** Act solely on behalf of organization, without conflicting loyalty or for personal gain or gain of others at the organization's expense
- **Liabilities** (*Assuming the consequences of harmful actions or damages*)
 - Breach of fiduciary duties; failure to provide "honest services" due the public/owners
 - Gross negligence; willful misconduct; corruption, criminal behavior
 - Discretionary vs. ministerial acts (involvement in policy vs. operations)
- **Protections** (*When meeting fiduciary responsibilities; acting within scope of authority*)
 - **Statutory limitations** on personal liability (except in cases of criminal actions or "reckless/wanton disregard" for safety, property or human rights)
 - **Indemnification** (directors & officers, errors & omissions insurance coverage), protection while actions are within the scope of policy and governance responsibilities

1(c) Duty of Reasonable Care



- Meet board responsibilities with reasonable diligence
- Obligations may include:
 - Attending meetings
 - Obtaining knowledge (reviewing briefing materials)
 - Participating in discussions
 - Overseeing organization performance
 - Relying on experts (internal and external)
 - Adhering to board policies/procedures
 - Avoiding micromanagement and/or abdication

1(d) Duty of Loyalty



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- Always act in best interest of the organization
- Violations may include:
 - Acting for personal gain
 - Acting for gain of others
 - Taking advantage of utility business opportunities
 - Making decisions that disadvantage one group of customers over another
 - Speaking/acting in a way that puts utility in negative light
 - Not respecting confidentiality of information
 - Not supporting will of majority following formal vote

1(e) Disclosing Conflicts



APPA Webinars

- When personal gain conflicts with organization's best interests
- Mitigating options:
 - Disclose, but participate in discussion and vote
 - Disclose, participate in discussion but refrain from vote
 - Disclose, refrain from both discussion and vote
 - Disclose, recuse (leave room)
 - Don't discuss with board members or staff



APPA Webinars

2(c) Individual Member Authority

- Unless otherwise delegated by action of the board, individual board members have the authority of one vote in a formal public meeting
- Individual board members may not claim to speak for or otherwise represent the full board
- Individual board members have no authority to direct, or assign work to, the CEO or staff (if they occur, such actions are not binding)
- If such instructions are given, the CEO can refuse the request if deemed to be disruptive to the organization or require the use of significant or unplanned resources

3. Direction & Policy Guidance



APPA Webinars

Board's role: Require the development of a strategic plan; provide resources; set policy guidelines; review and recalibrate

Board Actions:

- Reach consensus on business model and strategic direction
- Agree with management on vision, mission, goals, outcomes
- Use strategic plan for board focus, policy adoption, decision-making, and evaluating risks and opportunities
- Monitor implementation and milestones of the plan
- Redirect, if necessary

3(a) Rating Agency on Strategy



APPA Webinars

“In Fitch’s opinion, the most important rating factors for public power systems [are] management and business strategy. ...Solid management (including the board), a well-defined business strategy, and a flexible operating plan are essential elements for a utility to keep its competitive edge in this rapidly changing business.”

*Public Power Rating Guidelines
Fitch Ratings Service*

5. Board: Self-Evaluation



APPA Webinars

Board's role: Conduct annual self-assessment of board performance;
make improvements where needed

Board Actions:

- Assure compliance with statutes, regulations, bylaws, fiduciary duties
- Adhere to board policies/procedures (specified in written policy manual)
- Develop governance performance metrics
- Evaluate board performance
- Initiate change: correct dysfunctions + address needed improvements

GENERAL MANAGER'S REPORT
(Note Page)

**Third Taxing District
Financial Highlights
July-May- 2015 vs. July-May-2014**

	July-May -2015	July-May -2014	\$ Change	% Change
Total Income	8,907,071	9,088,191	-181,120	-2%
Total Expense	9,830,741	9,734,672	96,070	1%
Net Ordinary Income	(923,670)	(646,481)	(277,190)	43%
Other Income	650,501	538,456	112,045	21%
Other Expense	65,536	24,387	-	-
Net Income before Rate Stabilization	(338,706)	(108,025)	(230,681)	214%
Rate Stabilization	358,631	7,566	351,066	4640%
Net Income	19,926	(124,846)	144,772	-116%

CASH BALANCES FY 2015

ACCTS

	May-15
Operating Accounts	351,584
Capital Improvements Fund	906,554

TTD Outstanding Principal Balance with CMEEC

Balance as of July 1, 2014	5,146,271
Current Balance	4,880,397

Power Supply

	Current Fiscal Year-to-Date	Last Fiscal Year-to-Date	\$ Change	% Change
Energy Cost	\$ 6,224,058	\$ 6,320,778	\$ (96,720)	-2%
Budget Energy Cost	\$ 5,726,133	\$ 6,004,739	\$(278,606)	-5%
Energy Cost Cents/KWH	10.950	10.360	\$ 0.59	6%

**Third Taxing District
Profit & Loss Prev Year Comparison
May 2015**

	May 15	May 14	\$ Change	% Change
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	11,466.42	16,373.34	-4,906.92	-29.97%
440-00 · Residential Sales	258,747.53	177,172.95	81,574.58	46.04%
442-01 · Large Commercial Sales	73,056.83	54,151.93	18,904.90	34.91%
442-02 · Small Commercial Sales	215,078.81	153,075.57	62,003.24	40.51%
445-01 · Water Pollutn Contrl Plnt Sales	86,847.66	132,688.50	-45,840.84	-34.55%
445-02 · Flat Rate	8,705.04	7,243.06	1,461.98	20.19%
557-00 · Purchased Power Adjustment	66,845.71	328,956.45	-262,110.74	-79.68%
Total Income	720,748.00	869,661.80	-148,913.80	-17.12%
Cost of Goods Sold				
555-00 · Electrical Power Purchased	488,657.92	468,591.55	20,066.37	4.28%
Total COGS	488,657.92	468,591.55	20,066.37	4.28%
Gross Profit	232,090.08	401,070.25	-168,980.17	-42.13%
Expense				
904-00 · Substation	14,847.66	18,810.14	-3,962.48	-21.07%
403-00 · Depreciation Expense	46,636.06	60,370.35	-13,734.29	-22.75%
408-00 · Taxes	1,095.61	775.33	320.28	41.31%
540-00 · Other Power Generation Expense	4,364.13	1,236.46	3,127.67	252.95%
580-00 · Distribution Expenses	2,404.24	3,313.95	-909.71	-27.45%
590-00 · Maintenance Expenses	36,584.70	33,486.14	3,098.56	9.25%
900-00 · Customer Accounts & Service	19,887.41	37,853.30	-17,965.89	-47.46%
909-00 · Conservation Expenses	0.00	160.00	-160.00	-100.0%
920-00 · Administrative Expenses	117,980.41	171,900.59	-53,920.18	-31.37%
980-00 · General Community Expenses	1,377.35	0.00	1,377.35	100.0%
Total Expense	245,177.57	327,906.26	-82,728.69	-25.23%
Net Ordinary Income	-13,087.49	73,163.99	-86,251.48	-117.89%
Other Income/Expense				
Other Income				
419-00 · Interest Income	13.16	1,733.50	-1,720.34	-99.24%
421-00 · Norden Project Income	42,456.38	27,151.31	15,305.07	56.37%
424-00 · Energy Conservation Fund Income	9,835.62	9,587.59	248.03	2.59%
Total Other Income	52,305.16	38,472.40	13,832.76	35.96%
Other Expense				
426-20 · Energy Conservation Expense	0.00	790.00	-790.00	-100.0%
942-00 · Interest Expense	165.26	320.37	-155.11	-48.42%
Total Other Expense	165.26	1,110.37	-945.11	-85.12%
Net Other Income	52,139.90	37,362.03	14,777.87	39.55%
Net Income before rate stabilization	39,052.41	110,526.02	-71,473.61	-64.67%
Rate Stabilization	25,854.84	42,414.83	-16,559.99	-39.04%
Net Income	64,907.25	152,940.85	-88,033.60	-57.56%

Third Taxing District
Profit & Loss Prev Year Comparison
 July 2014 through May 2015

	Jul '14 - May 15	Jul '13 - May 14	\$ Change	% Change
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	106,502.74	16,373.34	90,129.40	550.46%
440-00 · Residential Sales	3,338,562.27	2,406,116.70	932,445.57	38.75%
442-01 · Large Commercial Sales	845,987.32	609,932.07	236,055.25	38.7%
442-02 · Small Commercial Sales	2,236,375.30	1,792,113.67	444,261.63	24.79%
445-01 · Water Pollutn Contrl Plnt Sales	938,126.04	658,612.67	279,513.37	42.44%
445-02 · Flat Rate	84,004.66	75,971.58	8,033.08	10.57%
557-00 · Purchased Power Adjustment	1,357,512.65	3,529,071.11	-2,171,558.46	-61.53% Footnote 1
Total Income	8,907,070.98	9,088,191.14	-181,120.16	-1.99%
Cost of Goods Sold				
555-00 · Electrical Power Purchased	6,224,057.74	6,320,777.94	-96,720.20	-1.53%
Total COGS	6,224,057.74	6,320,777.94	-96,720.20	-1.53%
Gross Profit	2,683,013.24	2,767,413.20	-84,399.96	-3.05%
Expense				
904-00 · Substation	201,929.69	90,342.11	111,587.58	123.52% Footnote 2
930-43 · TTD 100th Anniversary	0.00	28,240.77	-28,240.77	-100.0%
403-00 · Depreciation Expense	554,199.53	533,667.76	20,531.77	3.85% Footnote 3
408-00 · Taxes	231,012.61	269,323.85	-38,311.24	-14.23%
540-00 · Other Power Generation Expense	130,394.81	176,506.62	-46,111.81	-26.13% Footnote 4
580-00 · Distribution Expenses	44,775.74	56,877.72	-12,101.98	-21.28% Footnote 5
590-00 · Maintenance Expenses	541,213.84	421,129.01	120,084.83	28.52% Footnote 6
900-00 · Customer Accounts & Service	242,668.79	393,558.75	-150,889.96	-38.34% Footnote 7
909-00 · Conservation Expenses	0.00	1,239.68	-1,239.68	-100.0%
920-00 · Administrative Expenses	1,659,111.34	1,443,007.41	216,103.93	14.98% Footnote 8
980-00 · General Community Expenses	1,377.35	0.00	1,377.35	100.0% Footnote 9
Total Expense	3,606,683.70	3,413,893.68	192,790.02	5.65%
Net Ordinary Income	-923,670.46	-646,480.48	-277,189.98	-42.88%
Other Income/Expense				
Other Income				
418-00 · Dividends	13,293.69	1.70	13,291.99	781,881.77%
419-00 · Interest Income	340.70	2,160.46	-1,819.76	-84.23%
420-00 · Gain/(Loss) on Investments	42,399.81	0.00	42,399.81	100.0% Footnote 10
421-00 · Norden Project Income	592,336.14	436,589.29	155,746.85	35.67%
423-00 · Gain/(Loss) from Sale of FA	2,131.00	32,825.40	-30,694.40	-93.51% Footnote 11
424-00 · Energy Conservation Fund Income	0.00	66,879.04	-66,879.04	-100.0%
425-00 · Miscellaneous Income	0.00	0.00	0.00	0.0%
Total Other Income	650,501.34	538,455.89	112,045.45	20.81%
Other Expense				
426-30 · PERSON TO PERSON	20,000.00	20,000.00	0.00	0.0%
426-20 · Energy Conservation Expense	42,504.02	1,042.80	41,461.22	3,975.95% Footnote 12
942-00 · Interest Expense	2,540.52	3,343.99	-803.47	-24.03%
990-00 · Miscellaneous items	491.89	0.00	491.89	100.0%
999-00 · Miscellaneous Unknown	0.00	0.00	0.00	0.0%
Total Other Expense	65,536.43	24,386.79	41,149.64	168.74%
Net Other Income	584,964.91	514,069.10	70,895.81	13.79%
Net Income before rate stabilization	-338,705.55	-132,411.38	-206,294.17	-155.8%
Rate Stabilization	358,631.49	7,565.68	351,065.81	4,640.24%
Net Income	19,925.94	-124,845.70	144,771.64	115.96%

Third Taxing District
Profit & Loss Statement
Explanation of Major Variances
Jul-May -2015 vs. Jul- May - 2014

1. The decrease in the fuel adjustment is due to the fact that the District moved to a revenue neutral rate adjustment in accordance with the results of the independent rate study. The Fuel Adjustment rate was decreased and the adjustments were spread proportionally to the revenues throughout the system. This can be seen by reviewing the year to date May 2015 month to date financial statements versus the year to date May 2014 financial statements.
2. The increase in substation expense of \$111K is due to the fact that a separate payroll expense category was setup for Pete Johnson and Scott Tracey who will be working on the substation.
3. Increase in depreciation expense is up due primarily to the depreciation of substation which came on line in January of 2014. The substation will be depreciated over 20 years and will have an annual depreciation of \$251,328 or monthly depreciation of \$20,944.
4. The decrease of \$46K in Other Power Generation expense is mainly due to the additional maintenance work done by HO Penn Machinery in the prior year to get the generators up and running to optimization.
5. The \$12K decrease in Distribution Expense is a function of better pricing for materials and supply purchases from Air Gas, Electrical Wholesalers, and other miscellaneous vendors in the current year.
6. The \$120K increase in Maintenance Expense is due to approximately \$16K in additional substation maintenance from Eleck & Salvato, Oman's Garden, and Effective Plumbing, related to a water leak below the Fitch Street Substation Control House. These expenses will be offset in the future with a credit received from Eaton Corporation. We also spent \$8K on overhead line maintenance with WESCO. There is approximately 6,400 in roof repairs with Zhakar roofing. There is also an increase in tree trimming and other related maintenance in an effort to reduce outages. Also included in payroll is Paul Hedrick who was not working at TTD in the prior year.
7. The approximate \$150K decrease in Customer Accounts & Service is mainly due to payroll associated with the retirement of Ana Aguilar, as well as the fact that wages for Pete Johnson were shown in this category during the prior year and are now listed under Substation expense for the current year. Ana's

decreased wages are now being partially offset by the hiring of the new customer service rep position.

8. The increase of \$216K in Administrative Expenses is due to the following:
 - a. \$9K in temporary staffing of Cynthia and Kiki before hiring.
 - b. \$40K in repairs and maintenance.
 - c. \$85K in engineering fees paid to Cristino Associates for the on-going SCADA project as well as substation engineering. These amounts will be offset and capitalized as Joe is in the process of preparing a summary of the project.
 - d. \$10K increase over prior year in timing of health insurance premiums/expenses.
 - e. \$70K increase in legal fees mainly due to Amy Livolsi & Berchem, Moses, & Devlin.
 - f. The remainder is due to increases in Admin payroll, payroll taxes and call time charged to this account based on increased customer activity over the period.
9. This account is a new account setup to track expenditures related to the special library forum meetings.
10. The increase of \$42K is the unrealized gain on our capital improvements account to date. Note: Now that the Fitch Street and Cervalis projects are complete we are now investing in the account rather than keeping it completely liquid.
11. Gain or loss on the Sale of Fixed Assets is due to the sale of scrap.
12. The amounts in Energy Conservation expense are net of Energy Conservation revenues collected and are due to the purchase of the new LED streetlights as well as LED bulbs for our customers. As these expenses are incurred they are reimbursed to the district through our conservation fund.

THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)

		2015	May 2014	Industry Average (Bandwidth)	
1)	OPERATING RATIO	TOTAL OPERATING EXPENSE / TOTAL OPERATING REVENUE	110.37%	107.11%	87% - 92%
2)	POWER SUPPLY EXPENSE RATIO	TOTAL POWER SUPPLY EXPENSES / TOTAL EXPENSES	63%	65%	65% - 70%
3)	BAD DEBT RATIO	TOTAL CUSTOMER ACCOUNTS OVER 90 DAY / TOTAL ACCOUNTS RECEIVABLE	5.34%	3.63%	3% - 10%
4)	ACTUAL RATE OF RETURN ON RATE BASE	AUTHORIZED BY STATE STATUTE	N/A	N/A	Varies by state
5)	ELECTRIC CUSTOMERS PER EMPLOYEE	TOTAL ELECTRIC CUSTOMERS / TOTAL FULL TIME EMPLOYEES	388	412	200 - 500

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

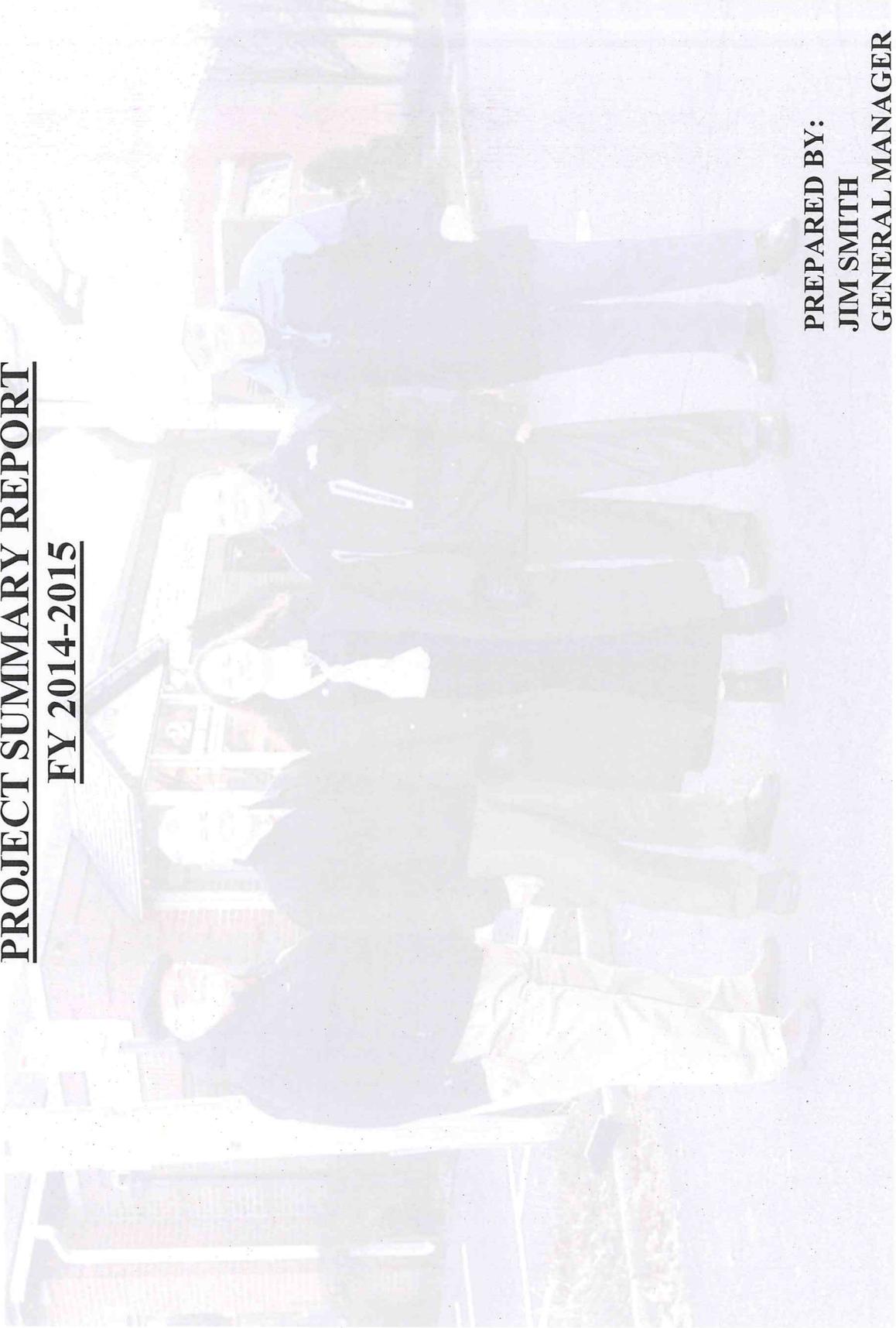
Start Here

Total Energy	2014												2015 January	2015 February	2015 March	2015 April	2015 May												
	January	February	March	April	May	June	July	August	September	October	November	December																	
h	Grand Total Purchased Power Costs	\$	697,411	\$	610,676	\$	591,159	\$	499,592	\$	400,359	\$	547,729	\$	657,463	\$	493,219	\$	514,360	\$	568,013	\$	652,208	\$	619,773	\$	597,356	\$	470,862
i	(Sum of current and previous 5 months)	\$	697,411	1,278,067	1,869,246	2,337,838	2,818,196	3,353,975	3,296,232	3,290,860	3,324,881	3,365,169	3,370,012	3,423,699	3,528,801	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699	3,623,699
j	kWh's Purchased	kWh	6,642,006	5,530,249	5,636,093	4,418,744	4,497,831	5,130,659	6,173,717	4,993,415	4,328,758	4,829,348	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	
m	Total Purchased Power kWh Units	kWh	6,642,006	5,530,249	5,636,093	4,418,744	4,497,831	5,130,659	6,173,717	4,993,415	4,328,758	4,829,348	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	6,237,187	
	(Sum of current and previous 5 months)	kWh	6,642,006	12,172,255	17,802,343	22,221,087	31,394,368	30,909,447	31,553,120	30,909,447	30,819,459	31,150,946	31,549,474	31,607,944	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	32,156,120	
n	Power Supply Costs @ Retail	\$	0.11088	0.11088	0.11088	0.11110	0.11138	0.11157	0.11187	0.11224	0.11261	0.11276	0.11271	0.11259	0.11243	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	0.11228	
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	0.0958	0.0958	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%	5.6%	5.6%	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	\$	0.01508	0.01508	0.01508	0.01530	0.01558	0.01577	0.01607	0.01644	0.01681	0.01696	0.01691	0.01679	0.01663	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	
r	Actual PCA Implemented	\$	0.01508	0.01508	0.01508	0.01530	0.01558	0.01577	0.01607	0.01644	0.01681	0.01696	0.01691	0.01679	0.01663	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	0.01648	
s	Total System Retail Sales (kWh's)	kWh	7,659,441	4,247,217	5,775,046	4,643,484	4,409,844	4,154,442	4,996,603	5,972,256	5,155,536	4,242,424	4,232,032	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	4,224,479	
t	Base PCA Revenue	\$	767,889	406,883	553,345	444,847	431,066	397,996	475,820	572,430	493,900	406,424	411,180	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	404,704	
u	Fuel Factor Revenue	\$	75,905	42,472	57,760	46,435	44,986	41,544	49,668	59,763	51,555	42,424	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921	42,921
v	Total Revenues through PCA	\$	843,794	449,355	611,106	491,282	476,052	439,540	525,488	632,183	545,456	448,848	454,100	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	446,949	
w	Difference of Collection vs Expense	\$	146,383	15,063	35,009	57,899	53,403	(54,782)	(186,569)	(162,997)	(151,212)	(165,593)	(225,863)	(338,622)	(401,994)	(457,484)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)	(563,790)

actual billed data

peca changes monthly

THIRD TAXING DISTRICT
PROJECT SUMMARY REPORT
FY 2014-2015



PREPARED BY:
JIM SMITH
GENERAL MANAGER

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THIRD TAXING DISTRICT – PROJECT SUMMARY

UPDATED: JUNE 30, 2015

<u>#</u>	<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. 	COMPLETE 3 RD QUARTER 2015	<ul style="list-style-type: none"> JUNE 2015 – CONTINUED WORKING ON A-BASE REPLACEMENTS WITH METER PERSONNEL.
2)	CUSTOMER SERVICE TRAINING PROGRAM	<ul style="list-style-type: none"> TRAINING THROUGHOUT THE YEAR BASED ON TRAINING OPPORTUNITIES AND EMPLOYEE SCHEDULES. 	ON-GOING	<ul style="list-style-type: none"> JUNE 2015 – CUSTOMER SERVICE PERSONNEL (RACHEL/TRICIA) AND RON SCOFIELD ATTENDED A ONE-DAY COGSDALE USER GROUP MEETING IN EASTERN MASSACHUSETTS DURING THE LAST WEEK OF JUNE. THIS IS AN EXCELLENT FORUM TO LEARN ABOUT NEW PRODUCTS/SERVICES, EXCHANGE IDEAS, AND NETWORK WITH FELLOW USERS.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#

	SUCCESSION PLANNING PROCESS	COMPLETE WITH PERIODIC REVIEW	ON-GOING	
4)	RADIO-READ METER UPGRADE		ON-GOING THROUGH 2015	<ul style="list-style-type: none"> JUNE 2015 – CONTINUED TO INSTALL RADIO-READ METERS DURING THE MONTH BASED ON PURCHASE OF ITRON METERS HELD OVER FOR THE REMAINDER OF THE FISCAL YEAR.
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	<ul style="list-style-type: none"> JUNE 2015 – DETAILED FIVE-YEAR REPLACEMENT VEHICLE SCHEDULE WAS SHARED WITH THE COMMISSION AS PART OF THE BUDGET PROCESS. WE WILL BE REPLACING VEHICLES ACCORDING TO THAT SCHEDULE.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
6)	UPDATE EMERGENCY PLAN FOR DEPARTMENT	<ul style="list-style-type: none"> IMPLEMENTED AS NEEDED DEPENDING ON WEATHER CONDITIONS, OR AS SPECIAL CIRCUMSTANCES DICTATE. 	ON-GOING	
7)	I/T UPDATE/ UPGRADES	<ul style="list-style-type: none"> TRANSITION PROCESS COMPLETED WITH PERIODIC UPDATES TO HARDWARE/ SOFTWARE, IT SYSTEM, ETC. AS NEEDED. 	ON-GOING	<ul style="list-style-type: none"> JUNE 2015 – CONTACTED NETOLOGY TO ASSIST IN TELEMETRY ISSUES AT NORDEN/CERVALIS SUBSTATION SITES. WE ARE REPLACING EXISTING “DIAL-UP” LINES AT BOTH LOCATIONS WITH HIGH SPEED DSL LINES FOR REVENUE METERING AT NORDEN AND DATA RETRIEVAL AT CERVALIS.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#

<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
8)	CONDUCT COST OF SERVICE/RATE STUDY	<ul style="list-style-type: none">COMPLETE WITH PERIODIC UPDATES.		
9)	STRATEGIC PLANNING PROCESS	<ul style="list-style-type: none">TO BE ADDRESSED WITH THE COMMISSION AT A FUTURE DATE.		
10)	MAPLEWOOD		ON-GOING	<ul style="list-style-type: none">JUNE 2015 – THE MAPLEWOOD LEGAL MATTER IS MOVING FORWARD IN SUPERIOR COURT WITH LEGAL DOCUMENTS BEING FILED BY BOTH SIDES. THE COMMISSION HAS BEEN KEPT APPRISED OF DEVELOPMENTS IN THE CASE FROM STAFF AND OUR ATTORNEYS.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	WEBSITE/BRANDING PROJECT	COMMISSION GRANTED EXTENSION OF JUMAR CONTRACT THROUGH FIRST QUARTER OF 2016.	ON-GOING THROUGH FIRST QTR 2016.	
12)	CATV POLE ATTACHMENTS/AMPLIFIERS	<ul style="list-style-type: none"> CURRENTLY IN ACTIVE NEGOTIATIONS WITH CABLEVISION. 	ON-GOING	<ul style="list-style-type: none"> JUNE 2015 – WE ARE AWAITING A RESPONSE FROM CABLEVISION BASED ON THEIR REVIEW OF THE FINAL POLE ATTACHMENT AGREEMENT. THE FINAL AGREEMENT WILL THEN BE REVIEWED WITH THE COMMISSION.
13)	UPGRADE/ENHANCE FUEL TANKS @ 2 SECOND STREET	<ul style="list-style-type: none"> CURRENTLY IN COMPLIANCE WITH ALL STATE CODES THROUGH MONTHLY INSPECTIONS. 	ON-GOING	
14)	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	<ul style="list-style-type: none"> JUNE 2015 – MADE SEVERAL IMPROVEMENTS TO THE EAST AVENUE SUBSTATION, INCLUDING: <ul style="list-style-type: none"> RAISING 27KV BUSWORK FROM 8 FT. TO 27 FT. ADDED A P/T (POTENTIAL TRANSFORMER) TO PROVIDE ADDITIONAL PROTECTION. REMOVED CUTOUPS AND INSTALLED IN-LINE FUSES TO ELIMINATE ANIMAL-RELATED OUTAGES. ALL WORK WAS DONE ON A WEEKEND WITH LOADS SWITCHED OUT TO PREVENT CUSTOMER OUTAGES.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
15)	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. 	ON-GOING THROUGH 3 RD QUARTER 2015	<ul style="list-style-type: none"> JUNE 2015 – STAFF WORKED WITH A CONSULTANT TO DEVELOP A “DESIGN BUILD” PROPOSAL FOR THE MATERIALS STORAGE FACILITY. ALTHOUGH THE PROPOSAL IS MUCH HIGHER THAN EXPECTED, IT PROVIDED A BASIS FOR BIDDING THE PROJECT TO OTHER VENDORS GOING FORWARD, WHICH WE ANTICIPATE TO BE AT A MORE REASONABLE COST.
16)	CONSTRUCTION OF ELECTRIC VEHICLE CHARGING STATION	<ul style="list-style-type: none"> COMPLETED JANUARY 2015. NEED TO BUILD UP CUSTOMER BASE BASED ON PR/MARKETING INITIATIVES. 		



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#	<u>MISCELLANEOUS</u>	BUDGET BEING PREPARED FOR 2015/2016 FISCAL YEAR	SECOND QTR 2015, PRESENT TO COMMISSION FOR JULY 1, 2015 IMPLEMENTATION	JUNE 2015 – THE REVENUE/EXPENSE AND CAPITAL BUDGETS WERE PRESENTED AND APPROVED BY THE COMMISSION DURING THE MONTH OF JUNE. MINOR CHANGES WERE MADE AS A RESULT OF THIS PROCESS WHICH INCLUDED INCREASING REVENUES AND ADJUSTING THE PROPOSED FUNDING OF THE CAPITAL BUDGET.
17)	<ul style="list-style-type: none"> ANNUAL REVENUE/EXPENSE BUDGET/FIVE-YEAR CAPITAL BUDGET 	BUDGET BEING PREPARED FOR 2015/2016 FISCAL YEAR	SECOND QTR 2015, PRESENT TO COMMISSION FOR JULY 1, 2015 IMPLEMENTATION	<ul style="list-style-type: none"> JUNE 2015 – THE REVENUE/EXPENSE AND CAPITAL BUDGETS WERE PRESENTED AND APPROVED BY THE COMMISSION DURING THE MONTH OF JUNE. MINOR CHANGES WERE MADE AS A RESULT OF THIS PROCESS WHICH INCLUDED INCREASING REVENUES AND ADJUSTING THE PROPOSED FUNDING OF THE CAPITAL BUDGET.
	<ul style="list-style-type: none"> SOLAR P/V PROJECT ROOFTOP AT SECOND STREET OFFICE 	NO ACTIVITY AT THIS TIME. WE WILL RE-EVALUATE ONCE ALL OTHER ENERGY CONSERVATION IMPROVEMENTS/PROJECTS (LED S/L's, ETC.) ARE COMPLETED.	END OF 2 ND QTR	
	<ul style="list-style-type: none"> LEASE NEGOTIATION – NORDEN GENERATORS 	DISCUSSION STAGE	ON-GOING	
	<ul style="list-style-type: none"> SOLAR PROJECTS 	DISCUSSION STAGE/ POTENTIAL PROJECTS		



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"> • ANNUAL FINANCIAL AUDIT (FYE 6/30/14) • LED STREET LIGHT PROJECT 	<p>COMPLETED AS OF DECEMBER 27, 2014</p> <p>ON-GOING</p>	<p>EXPECTED COMPLETION DATE – OCTOBER 15TH OF EACH YEAR</p> <p>ALL OF 2015</p>	<ul style="list-style-type: none"> • JUNE 2015 – CONTINUING PROGRESS ON INSTALLATION OF LED'S THROUGHOUT THE SYSTEM BASED ON STOCK AVAILABILITY. WE HAVE INSTALLED APPROXIMATELY 300 LED S/L's IN THE SYSTEM THROUGH THE END OF JUNE.
	<ul style="list-style-type: none"> • T1 TRANSFORMER REPLACEMENT 	<p>COMPLETED – MAY 2015</p>	<p>APRIL 2015/MAY 2015</p>	



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#

	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
<ul style="list-style-type: none"> • <u>MISC. (Cont.)</u> 	<ul style="list-style-type: none"> • 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 – DECEMBER 2015 • 3RD PHASE (EAST AVENUE) JANUARY 2015 – APRIL 2016 • 4TH PHASE – MAY 2016 – AUGUST 2016 • 5TH PHASE – AUGUST 2016 – NOVEMBER 2016 	<ul style="list-style-type: none"> • JUNE 2015 – REPRESENTATIVES FROM SURVALENT AND STAFF WORKED ON DEVELOPING A LIST OF “DELIVERABLES” BASED ON THE FINAL CONTRACT PRICE QUOTED AND APPROVED BY THE COMMISSION. PROJECT WORK BEGINS IN JULY OF 2015.
<ul style="list-style-type: none"> • COMMERCIAL CUSTOMER VISITS 	<p>ON-GOING AS SCHEDULES PERMIT</p>	<p>THROUGHOUT 2015</p>	<p>THROUGHOUT 2015</p>	<ul style="list-style-type: none"> • JUNE 2015 – CONTINUING CUSTOMER VISITS AS ARRANGEMENTS ARE MADE.