

FINAL

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
Commission Meeting  
August 3, 2015

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

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

**OTHERS:** Justin Connell, CMEEC; Atty. Steve Studer

**PUBLIC:** Diane Cece, Sarah Hunter

**CALL TO ORDER**

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

**PUBLIC COMMENT**

There were no comments from the public.

**MINUTES OF MEETING**

July 6, 2015

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF JULY 6, 2015 REGULAR MEETING.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

June 23, 2015

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF JUNE 23, 2015 SPECIAL MEETING.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* COMMISSIONER BROWN ABSTAINED.**

**CMEEC – PRESENTATION ON FIVE-YEAR POWER SUPPLY PROJECTION**

Justin Connell from CMEEC presented the five-year power supply projection. Currently the CMEEC Rate 9 Energy Portfolio, and effectively TTD, is hedged at 80% at a price of \$64/MWh versus the previous winter of \$75/MWh. The balance will be filled in probably between 90%-100% during the fall and into the winter (typically around the 2<sup>nd</sup> or 3<sup>rd</sup> week in November) based on updated market and weather conditions, with the overarching objective to maximize regional competitiveness.

**\*\* COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES AND MOVE EXECUTIVE SESSION UP TO ITEM #4 ON THE AGENDA.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**EXECUTIVE SESSION**

- Discussion of Real Estate Matters
- Maplewood Update

**\*\* COMMISSIONER GOLDSTEIN MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS REAL ESTATE MATTERS AND MAPLEWOOD.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Treasurer, Mr. Smith, Mr. Scofield and Atty. Studer entered into Executive Session at 7:18 p.m.

**\*\* COMMISSIONER YOST MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Treasurer, Mr. Smith, Mr. Scofield and Atty. Studer (departed at 8:40 p.m.) returned to public session at 9:00 p.m.

**ANNUAL MEETING MINUTES-REVIEW/DISCUSSION OF RECORDED TAPES**

An error in the Annual Meeting Minutes of March 23, 2015 was brought to the attention of the Commission during the month of July by one of the ratepayers. In turn, Commissioner Goldstein contacted Atty. John Bove about how to handle the error and what would need to be done to

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correct said error. Mr. Bove told Commissioner Goldstein that the Minutes would need to be presented at next year's Annual Meeting in order to have them certified.

**ANNUAL OYSTER FESTIVAL PARTICIPATION**

Mr. Smith reviewed the Norwalk Seaport Association's request for TTD's participation in the 38<sup>th</sup> Annual Oyster Festival to be held at Veteran's Park on September 11<sup>th</sup> through the 13<sup>th</sup>. TTD has responded with a price of approximately \$8,600-8,700 to perform the requested work. It is the recommendation of Mr. Smith to go forward as we have in the past.

**\*\* COMMISSIONER BROWN MOVED TO APPROVE THE RECOMMENDATION OF THE GENERAL MANAGER FOR TTD'S PARTICIPATION IN THE 2015 OYSTER FESTIVAL.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**ENGAGEMENT LETTER – FYE JUNE 30, 2015 AUDIT**

Mr. Smith reviewed the Engagement Letter from Hope & Hernandez for the upcoming audit. The cost for this year's audit would be \$20,548, which is up 2% or \$403 over last year. It is Mr. Smith's recommendation that we engage Hope & Hernandez for this year's audit, but would like to put the audit out for bid for next year. It is Mr. Smith's hope that this audit will be completed within the next 60-90 days (the end of September).

Commissioner Yost asked when Mr. Smith would plan to start looking for another auditor for next year. Mr. Smith said the process should begin around the first of the new year, with a recommendation back to the Commission around March 2016.

Mr. Smith has been in contact with Mr. Siegel at the East Norwalk Library about their participation in the audit and stressed to him the importance that they turn over their audit in a timely fashion (end of August 2015). Mr. Siegel indicated that TTD will have it in time.

**\*\* COMMISSIONER BROWN MOVED TO ACCEPT THE GENERAL MANAGER'S RECOMMENDATION THAT TTD ENGAGE HOPE & HERNANDEZ FOR THE FYE JUNE 30, 2015 AUDIT FOR A COST NOT TO EXCEED \$20,548.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

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### **DISCUSSION OF UFS COST OF SERVICE PROPOSAL**

Mr. Smith recommended that TTD have UFS (Utility Financial Services) conduct a follow-up to the initial rate design that was developed back in the 2013-14 fiscal year for TTD to be sure that the TTD is on track with the original recommendations. The quote received was for \$9,500, but Mr. Smith does not believe the final cost would be that high. He believes it would probably be closer to \$5,000-6,000 to conduct the follow-up tasks.

**\*\* COMMISSIONER GOLDSTEIN MOVED TO ACCEPT THE PROPOSAL FROM UFS FOR AN AMOUNT NOT TO EXCEED \$6,000.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **SIGNAGE UPDATE**

In lieu of Mr. Scofield's presentation to the Commission, Commissioner Brown explained that he and Commissioner Goldstein were meeting with a sign representative from Grenada to discuss the signs. They will report back to the Commission at the September 2015 meeting with their findings.

**\*\* COMMISSIONER BROWN MOTIONED TO TABLE THE SIGNAGE UPDATE TO THE SEPTEMBER 2015 MEETING.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **GENERAL MANAGER'S REPORT**

#### **Tree Trimming Update**

Per Commissioner Goldstein's request, Mr. Smith put together a current tree trimming update showing facts and figures about how and when tree trimming takes place within the District, as well as what streets have had trimming.

#### **EPS Technology – Thermal Scans**

Mr. Smith presented a report from EPS Technology, who had been hired to scan TTD's four substations and distribution lines. The idea behind the thermal scans is to locate any weak or "hot" spots which would indicate if any problems exist within the distribution system. According to the final analysis from EPS Technology, there were no "hot" spots which would require further investigation. Their recommendation would be to have the substations and distribution lines assessed on an annual basis, or after any major rework, to verify that conditions have not deteriorated.

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Commissioner Yost asked if this report would benefit TTD with their insurance costs or lower the premiums in anyway. Mr. Smith said he would investigate it.

### Strategic Planning

Mr. Smith reminded the Commission that TTD is looking to do Strategic Planning in the Fall of 2015 and having it put on the planning calendar for October. He asked the Commission for clarification if they wanted to start the process or begin discussion in October. Commissioner Brown asked what the value of having a Strategic Plan would be. Mr. Smith said that it is a road map of where the company is going over the next 2, 3, 5 or 10 years.

Commissioner Yost said that with a very full agenda right now, a special meeting should be scheduled in December to further discuss, look at possible candidates and review any background information. If any candidates look promising, then the Commission could meet with them.

### **DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE**

Mr. Smith said this is a full fiscal year of net income with over \$500,000 on a cash basis. Cash balances are in reasonable shape. Outstanding principle balances are going down on the debt. Power supply costs are a little bit less.

June was a pretty good month. Net income on a cash basis was \$161,855.87. Mr. Smith is pleased with the performance of the Norden units. Norden was about even with last year's performance in June, but looking at the year-to-date, Norden was up 21.4% over last year. Revenues are starting to get stronger as we recover from the reduced fuel adjustment.

Cervalis is gearing up even more. Mr. Smith has met with them and they assure him that they will be taking on a couple more customers.

**\*\* COMMISSIONER YOST MOVED TO ADD AN AGENDA ITEM CALLED LIBRARY DISCUSSION.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **LIBRARY DISCUSSION/LIBRARY PLANNING COMMITTEE**

Commissioner Yost stated that there have been many recent discussions around the Library Planning Committee and who should be on the Committee. He felt is it now time to move forward on this and recommended that it be 3/3/3 (3 Commissioners, 3 Library Board members and 3 candidates from the public). He said that the Library Board has voiced their opinion that they would like to have it 3/3/3 to be fair. By doing so, it will allow the Committee to move forward. If not, Commissioner Yost is fearful that the project will be dead in the water.

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The 3 from the Library board would be Sarah Mills, Sarah Mann and Catherine Cray. The 3 from the public would be Penny Bloom, Mark Lilliedahl and possibly William Solder. Commissioner Brown will contact Mr. Solder to see if he has any interest in being on the Committee.

Commissioner Goldstein said that she would like to go on record that the Committee not be 3/3/3 for legal reasons. This is not a random Committee. It is a sub-Committee of the Third Taxing District Commission. It needs to be at the discretion of the Commission. Every time it is called it will effectively have a quorum. You cannot have a Committee structure that will call two or more of the Commission's members enter into a room to discuss District business, except at the discretion of the Chair. If you create a Committee where there's going to be the possibility of something else happening, where we're effectively delegating our elective authority - if something happens as a result of this Committee, TTD could be sued by people for delegating our elective authority to an unelected Board to make decisions about how to spend ratepayers' money with regards to this Committee. Commissioner Goldstein said she has explained it to Jim, Sarah and Stan. Commissioner Goldstein also stated that she has spoken to Atty. John Bove about this and he agrees with her.

Commissioner Brown said that he would like to go on record that this will be the last concession he makes to this group. From now on, they will make concessions to the Commission.

**\*\* COMMISSIONER YOST MOVED TO HAVE THE LIBRARY PLANNING COMMITTEE CONSIST OF 3/3/3.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* COMMISSIONER GOLDSTEIN OPPOSED.**

Discussion began about the General Manager's vehicle which Mr. Smith would like to purchase or lease. Commissioner Yost said there has been discussion on it and now it needs to be voted on, so there is a record of what needs to be done.

**\*\* COMMISSIONER YOST MOVED TO ADD AN AGENDA ITEM CALLED GENERAL MANAGER'S VEHICLE.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* COMMISSIONER BROWN OPPOSED.**

Before making a final decision, Commissioners Goldstein and Brown would like more information. Commissioner Goldstein said we have a policy about personal auto perks and employee contracts. Do we have an issue as it regards to liability and if this is now residing in Mr. Smith's name as opposed to the TTD's name? Are we going to establish a personal use policy for this? Are we going to consider whether the vehicle can be stretched for another year, so that we can properly revise the General Manager's employment contract to reflect this and not tack it on two months after we've had the conversation?

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Mr. Smith will review the questions and get the answers to the Commission. Mr. Smith said if it were a car allowance, it would be under his personal insurance and he would pay it.

Once all the answers have been provided, a special meeting will be scheduled in order to expedite the purchase/lease of a new vehicle. Mr. Smith will either cancel the deal with the car dealership or see if he can extend it.

**ADJOURNMENT**

**\*\* COMMISSIONER YOST MOVED TO ADJOURN.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 10:12 p.m.

Respectfully submitted,

Cynthia Tenney  
Executive Assistant  
Third Taxing District