

THIRD TAXING DISTRICT
of the City of Norwalk
Special Meeting
May 13, 2013

ATTENDANCE: Commissioners: Paul Kokias, Chair; David Brown, Charles Yost.

STAFF: James Smith, General Manager; Ron Scofield, Assist. General Mgr.

OTHER: Attorney John Bove, District Counsel

CALL TO ORDER

Mr. Kokias called the meeting to order at 7:00 p.m.

PUBLIC COMMENT

None

MINUTES OF MEETING: April 1, 2013

- ** **MR. BROWN MOVED TO APPROVE THE MINUTES FROM THE MEETING OF APRIL 1, 2013 AS SUBMITTED.**
- ** **MR. YOST SECONDED THE MOTION.**
- ** **MOTION PASSED UNANIMOUSLY.**

General Manager's Report

Update on Fitch St. / Cervalis Projects

Mr. Smith stated that things are changing daily as the Cervalis construction continues. He distributed a budget tracking document and photos of the connection and described the location of about one mile of underground cables and conduit up Strawberry Hill Avenue. He explained that the transferring overhead is done on the poles and an outage was necessary for a few hours while the service was being done. He added that this will provide temporary power to Cervalis beginning in mid June.

Mr. Smith stated that regarding Fitch Street, there is follow up on the documents requested by the Siting Council as submitted that evolve around the landscaping plan, and saving a flowering tree. He provided a new budget and schedule to the commissioners and reported that they are looking for \$2million from CMEEC, with 43% of the budget spent to date on

both projects totaling approximately 4 million dollars, and the district is in decent shape and is not in need for an additional construction funds at this point.

Update on Patriot Bank Financing

Mr. Smith provided a verbal update on approval of the acceptance letter on the financing terms that remain the same and noted that the district has until May 22 to accept the agreement. Mr. Kokias stated that the Commission has already voted to accept the agreement and Mr. Smith is to sign as official acceptance.

Discussion on Groundbreaking Date for Fitch Street Substation

Mr. Smith referred to his e-mail requesting a list of who to invite to attend, and a discussion ensued on the list. It was agreed to include the Mayor, Senator Bob Duff, Rep. Christopher Perone, and Common Council members: Michelle Maggio, Fred Bondi, Nick Kydes, and Sarah Mann. Attorney Bove suggested that Mike Greene from Planning & Zoning should be included along with members from the Siting Council and the loan contacts at Patriot Bank.

A discussion ensued on the exact date, and Mr. Smith explained that it is estimated for the second week of June, depending upon when Eaton will be on site. It was agreed to use a Thursday or Sunday (the best day for readership days) in order to put the announcement in the Hour two days before the event. It was suggested to contact Tad Diesel in the Mayor's Office for using the golden shovels.

Update on Website/Marketing/Branding Project

Mr. Smith referred to the responses collected on the "stay connected" blue reply forms. It was agreed to meet this Thursday with Jumar to review the marketing presentation.

Mr. Yost provided a report on the 100 Anniversary Power on the Sound with exhibits and presented a map of the event as outlined with 50 booths. There was a discussion on banners and sponsorship and the details of the event planning including advertising, publicity, giveaways and special shirts/hats for the Commissioners.

Attorney Bove suggested that the since the item was not on the agenda, it should be tabled until the next meeting. Mr. Yost indicated that due to the time sensitive nature of the event and approvals needed, this should be added to the Special Meeting scheduled for May 16.

Update on Rate Study

Mr. Smith reported that he is still in the information gathering stage and he will have more to report at the next meeting.

Mailing of Credit/Collection Letter to Customers

Mr. Smith referred to the notice provided in the packet and reported that the letter has been cleared for mailing by Attorney Bove.

Mr. Kokias expressed concern that this should have been taken care of prior to the mailing of last month's bills, and asked about why there was a request for a check for \$1,000. Mr. Smith replied that he wanted to avoid doing a separate mailing and that it was not too late to include the letter in the June bills. Mr. Scofield noted that the insertion machine can handle the letter and envelope with the bills. It was agreed to include this letter in a different color and paper stock to customers with the next bills.

Discussion/Analysis of Financial Statements

Mr. Smith referred to the summary report and reviewed the financial highlights for the month of March. He referred to the detailed comparisons versus prior year, Profit & Loss Statement, and reviewed the explanations of major variances as follows:

1. Decrease in Fuel Adjustment rate of approximately \$2 83K from 2012 to 2013 is due to the fact the fuel adjustment rate was decreased from .082 to .066.
2. The \$30K increase in other Power Generation is due to work performed by Miratech on the generators as well as the timing of fuel purchases from Santa Buckley and maintenance work done by H.O. Penn.
3. The \$39K increase in maintenance expense is due to an increase in payroll from the storm as well as the storm work performed by KTT Utility.
4. Administrative expenses increased approximately \$38K due to the fact that Jim and George both worked in July-20 12 together. Jim also had approved relocation expenses during the current period of \$10K. Additional payroll costs were also related to the storm that was incurred. Engineering activities increased with Cristino and Associates.
5. The \$93K increase in energy conservation fund income is due to the fact that spending on energy projects is down as well as in Nov.2012 and the District received a \$30K payment from the CMEEC RMB Clean Energy Project.

Mr. Kokias noted that there needs to be a quarterly adjustment made to the fuel adjustment rather than a wholesale pass through. He added that there is a big difference between knowing that something exists and looking the other way, and if needed there should be changes made in conjunction with the rate study on a periodic basis.

Mr. Smith provided a memo addressing the energy conservation program. Attorney Bove noted that since this was not on the agenda, it cannot be discussed at this time. Mr. Kokias stated that the Commissioners should have been made aware of the status of this program, and Mr. Smith replied that this is an ongoing program through CMEEC. It was agreed that further discussion on the Energy Conservation Project could be put on the agenda for the Special Meeting on Thursday May 16.

Follow up on Rowan St. Property

Mr. Smith reviewed the update from Scott Bento on the purchase of the property. He stated that it is a potentially good idea based upon the option of available storage space adjacent to Rowan Street for material storage. He added that while we are not in a cash flow position to buy this upfront, we need to look at options down the road for a long term acquisition plan. Mr. Kokias added that Mr. Bento would consider holding notes until the district is more financially stable and until a lease/purchase agreement can be negotiated. Attorney Bove suggested that Planning & Zoning be contacted because this is a residential property to be used for commercial purposes, and there is a pre-existing non-conforming use. Mr. Yost asked about property evaluation, and Attorney Bove replied that there are various options of price evaluation. It was agreed that Mr. Smith is to get back to Mr. Bento to express the district's interest pending P&Z approval.

Executive Session

**** MR. KOKIAS MOVED TO ENTER INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSION OF UNION CONTRACT NEGOTIATIONS, PERSONNEL MATTERS, AND REVIEW OF MAPLEWOOD ASSISTED LIVING.**

**** MR. BROWN SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

The meeting went into Executive Session at 8:15 p.m., and in attendance were Commissioners: David Brown, Paul Kokias, Charlie Yost; General Manager, Jim Smith Ron Scofield, Attorney John Bove, and Attorney Chris Hodgson.

**** MR. KOKIAS MOVED TO COME OUT EXECUTIVE SESSION AND RECONVENE INTO PUBLIC SESSION.**

**** MR. BROWN SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

The meeting was reconvened back into public session at 9:18 p.m. There was no further action or discussion.

FINAL

Adjournment

** MR. KOKIAS MOVED TO ADJOURN.

** MR. BROWN SECONDED.

** MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 9:18 p.m.

Respectfully submitted,

Marilyn Knox

Telesco Secretarial Services