

FINAL

THIRD TAXING DISTRICT
January 30, 2012

ATTENDANCE: Commissioners: Paul Kokias, Chair; David Brown, Charles Yost
STAFF: George Leary, General Manager; Ron Scofield, Assist. Gen. Mgr.
OTHERS: Drew Rankin, CEO CMEEC, John Bove, District Counsel

CALL TO ORDER

Mr. Kokias called the meeting to order at 5:30 p.m.

PUBLIC COMMENT

There was no public present.

CMEEC AGREEMENTS

Mr. Rankin discussed a “Summary Presentation of New Power Supply and Transmission Contracts, and the Waste Water Treatment Plant ‘Special Contract.’” He stressed that the forty-year Power Supply Agreement and the forty-year General Transmission Supply Agreement will replace the existing long-term power supply agreement. The new agreements separate power supply from transmission, update the agreements to reflect changes in the industry such as ISO-NE and provide terms more favorable to TTD. For example, the new agreements provide for the purchase and sale of project capacity and provisions to exit the agreements prior to their full term. After discussion:

- ** **MR. YOST MOVED TO ADOPT THE FOLLOWING RESOLUTION APPROVING THE EXECUTION OF THE TWO AGREEMENTS.**
- ** **MR. BROWN SECONDED.**
- ** **MOTION PASSED UNANIMOUSLY.**

Third Taxing District

Resolution 1/30/2012

Resolution approving the execution by the Third Taxing District ("TTD") of a forty year Power Supply Agreement ("PSA") and a forty year General Transmission Services Agreement ("GTSA") by and between TTD and Connecticut Municipal Electric Energy Cooperative ("CMEEC").

WHEREAS, TTD and CMEEC previously entered into a contract for the provision by CMEEC of the electric power requirements of the TTD ("Existing PSA"); and

WHEREAS, the Existing PSA structure, content, and term will not support the long term financing and on-going management of the wholesale power full requirements needs of TTD, including the long term financing of the various power projects and transmission projects now and into the future, as well as the evolving industry standards and requirements, especially related to the Independent System Operator - New England (“ISO-NE”); and

WHEREAS, the remedy to constructively resolve the Existing PSA inadequacy for the future period of TTD’s full requirements electric supply, the Existing PSA will be replaced by a separate and new power supply agreement (“Replacement PSA”) and a separate and new general transmission services agreement (“GTSA”), together, providing adequacy to sustain full requirements electric supply.

Now therefore, be it resolved, that the TTD Commission approves the execution and delivery of the Replacement PSA and the GTSA in substantially the forms of the draft GTSA and the Replacement PSA, with such changes to the draft GTSA and the Replacement PSA as the General Manager of Third Taxing District shall approve.

Be it further resolved, that the General Manager of TTD is hereby authorized to sign the Replacement PSA and the GTSA on behalf of TTD so as to make the Replacement PSA and the GTSA a binding undertaking of TTD and to execute and deliver such other documents as may be required to make effective the Replacement PSA and the GTSA consistent with its terms.

WASTE WATER TREATMENT PLANT (WWTP) SPECIAL CONTRACT

Mr. Rankin explained the workings of a proposed Special Contract for the provision of power to the WWTP. He stated that this contract would give the plant virtual direct access to the ISO-NE wholesale power markets and allow the plant to custom tailor its power supply to meet its needs. It also will result in cost savings to the plant. CMEEC is working with the plant’s consultants to reach a clear understanding on the financial implications of this new agreement.

Mr. Leary noted that discussions with the WWTP had been initiated by TTD several years ago and have been off and on since. The advantage to TTD is to have a long-term agreement with the WWTP which is TTD’s largest customer. We have consistently told the plant officials that the TTD Commission has not agreed to offer a Special Contract and if it were to be done it would be on the basis of no additional cost to other TTD customers.

GENERAL MANAGER’S CONTRACT

District Counsel, John Bove presented a brief amendment to the General Manager’s employment Agreement which agreement is expiring on February 10th. He explained that the amendment changes the agreement to allow it to continue on a month to month basis with

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termination on the 20th of any month with thirty day's notice. After discussion no action was taken.

ADJOURNMENT

**** MR. BROWN MOVED TO ADJOURN.**
**** MR. YOST SECONDED**
**** MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 7:05 p.m.

Respectfully submitted,
George E Leary
Secretary Pro Temp