

Final

THIRD TAXING DISTRICT
of the City of Norwalk
October 10, 2012

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

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

CALL TO ORDER

Mr. Kokias called the meeting to order at 7:04 p.m.

PUBLIC COMMENT

None

MINUTES OF MEETING: September 10, 2012

Mr. Brown moved the minutes for discussion.

Mr. Smith requested corrections as follows:

- Page 3, paragraph 1, after contained add "in the packet"
- Paragraph 4: Sentence 4, after service, was coming from the north and ours from the south. Mr. Smith...
- Page 4, Paragraph 1: Cervalis is ready to go and they want to make sure contracts are done because surveyors and construction crews are ready...

- ** MR. BROWN MOVED TO APPROVE THE MINUTES FROM THE MEETING OF SEPTEMBER 10, 2012 AS EDITED AND AMENDED WITH CORRECTIONS NOTED.**
- ** MR. KOKIAS SECONDED THE MOTION.**
- ** MOTION PASSED UNANIMOUSLY.**

General Manager's Report

Discussion of 215 East Avenue Home Repairs

Mr. Smith stated that as a follow up to the discussion item at last months meeting. Check Inspections performed a comprehensive interior and exterior inspection of the property, and he will share the results as soon as they are available. He stated that unless there are major issues, he anticipates he can proceed with any repairs that might need to be made.

Analysis of Financials

Mr. Smith referred to the summary report to review the financial highlights for the months of July-August and stated that all is in good shape, with healthy and steady cash balances. He summarized the power supply, energy cost comparisons and stated that the current cost of \$9.89 is a small drop versus last year or \$10.10. He then referred to the detail report provided, tracking expenses year to date with comparisons versus prior year, and reviewed explanations of major variances and fielded questions and comments.

Fly-Over Photographs

Mr. Smith stated that as discussed last month the “fly over” shots project is in the final stages. Mr. Brown stated that the disk is in hand and the 11x17 photos were framed and the larger ones were being framed.

Library Gas Conversion Update

Mr. Smith gave an update and stated that Effective Plumbing is nearly done, and the meter installation is scheduled to be completed in the next few days. He added that the unit is small, the size of a two-drawer file cabinet, and once the installation is complete he will follow up to ensure everything is done and satisfactory.

Substation Development – Update on Fitch Street Substation Project/Citing Council

Mr. Smith stated that they have located a transformer out of Oklahoma, one that a large utility company had as a spare unit, and it has not been used, therefore it should have a 40-50 year life. Mr. Brown asked about the warranty, and Mr. Smith replied that it is assumable a part of the purchase agreement. Mr. Yost asked if this is a contract or agreement, and Mr. Smith explained that it is a good faith transaction and they are dealing with a reputable company that they have done business with in the past. He added that this is considered a real “find”, as a put aside, and he will bring in a formal proposal as part of the project. Mr. Kokias questioned the price and potential savings, and Mr. Smith replied that at this point he was not in a position to give an actual number, as it was too early to determine the actual costs. Mr. Kokias clarified that they still need to find another transformer and Mr. Smith replied that this is correct and the other one will be purchased.

Mr. Smith stated that Eaton is in the design phase with putting up security fencing, lighting and plot plan, and added that security is always a concern. He stated that they are hoping to have a slightly smaller footprint than the original layout and this is to be used for more storage area. He explained that the actual pad area with the switch gear will be shrunk down to scale based on the actual size of the equipment.

Mr. Brown asked how much more will be added on to the house, and Mr. Smith replied ten feet which will help hide the actual transformer better. Mr. Brown stated that he never got an answer about the cost of additional space added on to the house, and Mr. Kokias replied that he thought it was \$100,000. Mr. Smith replied that if there was wiggle room in the budget, it may be something to take second look at and price out an option.

Mr. Yost asked about the timing, and Mr. Smith replied that timing is still spring through next Summer, and barring unforeseen delays, the timing should remain on target.

Cervalis Data Center – Project update

Mr. Smith gave an update and asked Attorney Bove to summarize the results of the conference call last week regarding the status of the agreements. Attorney Bove stated that they are trying not to do a “cart before the horse” with committing to Norden without an agreement with CL&P. Mr. Yost asked how to separate the conflict and Mr. Smith replied that they need to nail down the dispute. Mr. Brown suggested that Mr. Chris Swan be contacted as he is the liaison in municipal Affairs with CL&P and has been involved with the hearing at City Hall and knows the background on the situation.

Mr. Yost asked what is their beef, and if the issues can be pinned down. Mr. Smith explained that the dispute is territorial servicing as there is a splitting of the load and if one goes down the issue is territorial rights if they have the rights to service the customers. He added that the line goes right down the center and it is all about fairness, but he is actually surmising that this is the issue. Attorney Bove stated that there are some ambiguities and that according to Phil Sesler, there needs to be a document first to take up the matter from the DPUC. He added that the contracts are all linked together, that one affects the other, so they are going through all of the contracts and the interrelated issues

WWTP Special Contract – Update

Mr. Smith stated that he is finalizing pricing on the contract with CMEC , that they are 90% of the way there. He summarized that once he has funding and pricing, he will provide an updated proposal next month.

Discussion of Update to Website

Mr. Smith referred to a proposal from the Allen Group to upgrade the website to make it more interactive. Discussion ensued over the purpose and objectives.

Mr. Smith explained that they would like the website to be more interactive to include on-line billing and credit card payments, and to include photos of projects, updates to provide a greater value to the district. It was agreed that Mr. Smith will bring more information on ideas and concepts for next month's meeting.

Discussion of TTD Policy Manual

Mr. Smith referred to the current Policy Manual, stating that represents overall TTD policy guidelines and explained that most policies may need updating and may not reflect current operations. He suggested that he work on proposed rewrite and come back with revisions and additions of what is necessary for greater efficiencies or improvement within the next month or two.

Replacement Power Sales Contract – Engagement Letter

Mr. Smith referred to the engagement letter for legal services from Joseph Fasi LLC and discussion ensued regarding past experience and satisfaction with his firm's performance. He stated that his recommendation was to approve this engagement letter for legal services based on prior experience and the prudent use of resources for this type of specialized legal work.

A discussion ensued over billing rates, the TTD's protection and potential share of the debt service if others drop out. Mr. Smith stated that he will check and advise the answers to these issues over the next few days. Attorney Bove stated that he agrees to have this representation, as with the other contracts, they are doing a thorough review of all of the interrelated issues, and will provide written comments and input for approval at the next meeting.

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

The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

Marilyn Knox
Telesco Secretarial Services