

THIRD TAXING DISTRICT
Of the City of Norwalk
March 12, 2012
SPECIAL MEETING

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

STAFF: George Leary, General Manager; Ron Scofield, Assistant
General Mgr.; Attorney John Bove, Counsel

CALL TO ORDER

Mr. Kokias called the meeting to order at 5:30 p.m. It was noted that this is designated as a special meeting due to the cancellation and rescheduling of last week's regular meeting.

PUBLIC COMMENT

None

MINUTES OF MEETINGS

** **MR. BROWN MOTIONED TO APPROVE THE MINUTES FROM
THE MEETING OF FEBRUARY 6, 2012 AS SUBMITTED.**
** **MR. YOST SECONDED.**
** **MOTION PASSED UNANIMOUSLY.**

General Manager's Report

Mr. Leary stated that the report was included in the packet and that everything seems to be on track with the Financial Statements.

Mr. Brown asked about the public comment made at the annual meeting about the percentage lower rate on less commodity and the Commissioners did not know what that meant. Mr. Leary replied that that as he pointed out last month, the reduction of sales is out of balance with the cost of product bought, and that sales are down as an offset with cost of power being down. Mr. Leary referred to page 10 and

pointed out that sales are down versus last year, but it is okay as the reporting is cash based.

Mr. Kokias asked about the October storm and if reimbursement has been received from Northeast Utilities, and Mr. Leary replied that yes, 99% of it has been received. Mr. Brown asked how much that was and Mr. Scofield replied that he would have to look up the detail from the system and advise. Mr. Brown then asked about the graph on page 12 and noted that the cash balance for January is up significantly from \$1.5 million to \$2 million, and asked where that is coming from. Mr. Leary replied that he had no idea, but he would look into it. Mr. Scofield stated that it could be due to a CMEC bill that was not processed until they had notified the district. A discussion ensued about how bills are put into the “bucket” for the staff to process, and Mr. Brown questioned this and asked if there were lessons learned. He added that that there should be procedures in place to avoid this oversight.

Funds Disbursement Policy

Mr. Leary presented a draft of the policy and stated that it was intended to add Mr. Scofield on as a signer to avoid a situation where Commissioners were not available. He read the proposed policy and stated that they had made a few more changes to take off money orders, as those are never done, and to add wire transfers and ACH methods, and explained that it authorizes the disbursement of funds only on a dual-signature basis as noted. Mr. Brown asked why this is being done, and Mr. Leary replied that it was a safety measure just in case two of the other authorized signers were not available.

Mr. Brown stated that he would prefer it to state that at least one commissioner signature is required, as this is a proper check and balance procedure. Mr. Kokias agreed and it was agreed to incorporate that language into the policy. Atty. Bove suggested that it be verified at the bank that they can accommodate this signature designation with their automated check verification process. Mr. Kokias suggested that this could be put into the check template on the signature line, and Mr. Scofield stated that he would see if the computer system could accommodate this. Mr. Leary asked if new signature cards and

authorization is required by the bank, and Mr. Scofield replied yes. Atty. Bove suggested that this requirement be listed on the bank signature authorization. Mr. Leary asked if the commissioners wanted to see another draft of the policy for approval, and it was agreed that they would approve the policy draft as presented, with the provisions added as follows:

To add the assistant general manager to the authorized signatures as submitted, with the provision that the policy state that at least one commissioner signature is required for all checks.

Also, the policy should state that the bank is responsible for ensuring that this signature designation will be accommodated in their check verification process.

**** MR. YOST MOTIONED TO APPROVE THE FUNDS DISBURSEMENT POLICY DRAFT AS SUBMITTED, TO ADD THE ASSISTANT GENERAL MANAGER TO THE AUTHORIZED SIGNATURES, WITH THE PROVISION THAT POLICY STATE THAT AT LEAST ONE (1) COMMISSIONER SIGNATURE IS REQUIRED FOR ALL CHECKS.**

**** MR. KOKIAS SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

A member of the public entered the meeting and Mr. Brown asked that the minutes reflect that Mr. Kendall Toussaint joined the meeting at 6:00 p.m. Mr. Kokias informed Mr. Toussaint that the public comment portion of the meeting was held at the beginning of the meeting. Mr. Toussaint stated that he was interested in the discussion on the Substation.

CMEEC AGREEMENTS

Mr. Leary distributed a set of documents and gave an overview of the item. He stated that the TTD Commission voted on January 30, 2012 to approve two agreements between TTD and CMEEC for power supply (PSA) and transmission (GTSA) in substantially the same form as presented at the meeting. Since there have been some changes to these

agreements, generally favorable to TTD, since that vote it is recommended that a new vote be taken to ratify the decision to enter into the new agreements.

Mr. Leary explained that the CMEEC attorney was charged with representing all of the groups involved to simplify the process, and added that the items in red ink were the changes. Mr. Brown stated that the number of changes made to the agreement was more than he was able to go through and approve without having had this in advance. He stated that he would have to defer to Attorney Bove to review and approve, and Mr. Yost concurred.

Mr. Leary presented the following resolution and asked for acceptance with the provision that Atty. Bove would review, and if no further changes were necessary, it would be approved.

Third Taxing District

Resolution 3/12/2012

General Transmission Services Agreement

Resolution approving the execution by the Third Taxing District ("TTD") of 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 GTSA in substantially the forms of the draft GTSA with such changes to the draft GTSA 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 GTSA on behalf of TTD so as to make the GTSA a binding undertaking of TTD and to execute and deliver such other documents as may be required to make effective the GTSA consistent with its terms.

March 12, 2012

Ronald Scofield
District Clerk

**** MR. BROWN MOTIONED TO APPROVE THE ABOVE RESOLUTION AS SUBMITTED ON THE PROVISION THAT ATTORNEY BOVE IS IN AGREEMENT WITH THE UNDERSTANDING AND APPROVAL OF CHANGES MADE BY CMEEC WITHIN THE 30 DAY GRACE PERIOD FOR ACCEPTANCE.**

**** MR. KOKIAS SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

Live Green Connecticut Exhibition

Mr. Leary stated that in response to Mr. Yost's suggestion, attached is an invoice for participation in The Live Green Connecticut festival to be held this September 15 & 16 at Taylor Farm. He added that this is the Saturday and Sunday between the Oyster Festival and the Boat Show. He explained that this may be an opportunity for TTD and/or CMEEC to promote our energy efficiency programs. Mr. Leary noted that give-aways for events such as this are not efficient and the district really does not have exhibit materials. Mr. Yost suggested that solar panels could be displayed and that this is an opportunity to add to the education objective similar to that done at Marvin School. Mr. Brown asked what was being approved, and Mr. Kokias replied that our participation is being authorized at \$100 and added that more details as to CMEEC's participation and handouts, etc. would be developed as this goes through the process.

**** MR. YOST MOTIONED TO APPROVE THE DISTRICT'S PARTICIPATION IN THE LIVE GREEN CT EXHIBIT ON SEPTEMBER 15-16, 2012 at A 10'x 10' BOOTH AT THE NON-PROFIT RATE OF \$100.**

**** MR. KOKIAS SECONDED.**

**** MOTION PASSED UNANIMOUSLY.**

TTD 100TH ANNIVERSARY

Mr. Leary stated that this was brought up at the annual Meeting that 2013 is the 100th year anniversary of the district. Mr. Kokias asked how he would like to handle this and Mr. Leary replied that he had no idea. Mr. Yost suggested that it would be interesting to see if this could be researched to get more information. Mr. Kokias suggested that banners be used to signify the anniversary and displayed throughout the park areas. Mr. Scofield suggested that it be put into the Newsletter and surveyed with public input for suggestions as how this should be celebrated.

Substation Development

Interconnection Studies

Mr. Leary stated that the studies are in progress and once the Committee approves it the next step is the issuance of an I-39 permit to be approved by ISO. Mr. Kokias asked about the timetable and schedule and Mr. Leary replied that this would take a few more months, but it was not on the critical path. He stated that one week from today was the preliminary interview with the top three engineers on the bid list. Mr. Brown then asked about the bids if there were different RFPs and Mr. Leary replied that it was one RFP with the option of bidding turn key or construction only. Mr. Brown asked if the bids were all submitted with the same scope, and Mr. Leary replied that four were turn-key and four were engineering and construction. He added that most were turn-key and were all very close, around \$4 million. He explained that the next step is for Joe Cristino, as the potential engineer and liaison to evaluate the proposals, negotiate with the most promising bidders and make a recommendation for the contract award.

Engineering Team

A discussion ensued on having a more formal proposal and approved work plan for Mr. Cristino as the prudent method to justify and account for his time. Mr. Kokias stated that he recalled a prior contract for Mr. Cristino that was executed last fall, and Mr. Scofield replied that he thought this was for the Norden project, but he would check the files and meeting minutes. Mr. Leary stated that he agrees with this and he does have a proposal, but we are not yet there, as the bid has not been awarded. He added that once this is done, the next step is to formalize the hiring of Mr. Cristino as the project manager. A discussion ensued on whether there needs to be a project manager or if the new General Manager can oversee the engineering of the project, and it was agreed that a project manager was necessary.

Siting Council Application

Mr. Leary replied that it is the application is with the City for Zoning Review and noted that public hearings would be scheduled as required. He added that Zoning will outline their conditions and send it on the Siting Council for approval. Mr. Kokias stated that he was with the

impression that this was only a preliminary fact-finding point, and Mr. Bove replied that this is the case, as they take a back seat to the Siting Council. Mr. Leary stated that he wants to see the contract with this and to make sure it is forwarded on to the attorneys. Mr. Bove suggested that it include delay penalty clauses and that it was important to negotiate this to add some teeth to the language.

Rowan Street Substation

Mr. Leary suggested that discussion on this item be done during Executive Session.

Norden Data Center

Mr. Leary suggested that discussion on this item be done during Executive Session.

General Manager Search

Mr. Kokias suggested that discussion on this item be done during Executive Session.

Mr. Leary stated that before this item moves into Executive Session, he wanted to discuss the terms of the month-to-month basis of this contract, and asked about having a general consensus that he would not be given notice until June. He explained that the reason for this is that the landlord of his condo wants to put it on the market and he wants to be able to give an answer with some certainty. A discussion ensued on the timing of the review of applications and it was agreed that the hiring process would most likely go into June. Mr. Kokias stated that since he does not know what they are dealing with as far as suitable applications, suggested that further discussion on this be tabled until the Personnel Committee reviews the General Manger Search.

EXECUTIVE SESSION

- ** **MR. BROWN MOTIONED TO ENTER INTO AN EXECUTIVE SESSION, FOR PURPOSE OF DISCUSSION OF THE ROWAN STREET SUBSTATION, THE NORDEN DATA CENTER AND GENERAL MANAGER SEARCH.**
- ** **MR. YOST SECONDED.**
- ** **MOTION PASSED UNANIMOUSLY.**

FINAL

The meeting went into Executive Session at 6:53 p.m. and was reconvened back into public session at 8:15 p.m. There was no action taken during Executive Session.

Adjournment

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

The meeting was adjourned at 8:15 p.m.

Respectfully submitted,
Marilyn Knox
Telesco Secretarial Services