

FINAL

CITY OF NORWALK  
THIRD TAXING DISTRICT  
SPECIAL MEETING  
JUNE 13, 2011

ATTENDANCE: Commissioners: Timothy Plunkett, Chair; David Brown;  
Paul Kokias;

STAFF: George Leary, General Manager;

CALL TO ORDER

Mr. Plunkett called the meeting to order at 7:07 p.m. and noted that due to last week's meeting cancellation, this would be on the record as a Special Meeting

MINUTES OF MEETINGS

March 7, 2011

- \*\* MR. BROWN MOVED TO ACCEPT THE MINUTES FROM MAY 2, 2011 WITH CORRECTION AS NOTED.
- \*\* MR. KOKIAS SECONDED
- \*\* MOTION PASSED UNANIMOUSLY.

PUBLIC COMMENT

Ms. Carol Gavirilides, stated she was there to request consideration of a claim she has submitted to Mr. Leary for damages as a result of the recent loss of power that occurred at the Harbor Lights Restaurant. She stated that due to the power being out for 2.5 days, the food in the refrigerators had to be thrown out and the value of the items was over \$3,000. She added that only Harbor Lights had power out for this length of days, as other places including the condos had power returned after only one day.

Mr. Kokias asked Mr. Leary if there has ever been such a claim paid by the District, and Mr. Leary replied no and that for as long as he has been with the district, such a claim would not be considered for payment. Mr. Kokias explained that according to past practice, this would be treated as an insurance claim and not due to negligence of the district. Ms. Gavirilides replied that it is unusual for Harbor Lights to be affected for longer than other

locations, and she believes that there is a malfunction problem with the pole at their intersection.

She added that this is the second time in two years that a significant power loss has affected their restaurant and has resulted in a financial loss. Mr. Plunkett stated that he would prefer to consult with legal counsel.

Mr. Brown stated that he would like to review the tape to see if there was more information regarding when the pole went down and to see if the cause could be determined by talking to the driver of the Pepsi truck. A discussion ensued relative to timing and the intended destination of the truck, and it was decided to table the discussion for an Executive Session.

#### GENERAL MANAGER'S REPORT

Mr. Leary presented his written report and stated that his report was self-explanatory, as it represents the standard format with the financial statement of income and expense comments. Mr. Brown commented on the third bullet point on the increase of Electrical Power Purchased and stated that he would not be in agreement to doing this again. Mr. Leary replied that this has thrown off the prior year comparisons. Mr. Plunkett asked about the negative number comparisons on the Profit & Loss statement and stated that if an expense is down the percentage comparison of the net income should not be down -96%. Mr. Leary replied that he would look into why this is reported this way and said perhaps it is an error in the format of the formula.

Mr. Kokias questioned item 421 on the prior year comparison and Mr. Leary replied that he would address this in the next item on the agenda.

#### Substation Development

Mr. Leary drew a diagram to outline the line of transmission of transformers as proposed into interface into East Avenue: He presented the following update:

The scope of the interconnection studies required by ISO for our Fitch St. Substation has changed substantially beyond the level contemplated by Mott MacDonald (MM) so that the \$55,170 approved informally by the Commission is now insufficient. We had been negotiation with the two likely bidders, MM who is doing the work for SNEW and RLC who was the apparent low bidder.

MM has knowledge advantage in that they have been hired by SNEW to do their studies and have been working with ISO to define the exact scope of work to be accomplished. As this process has progressed and the scope of work has been defined it has become apparent

that even the worst case envisioned by MM has been exceeded. The not-to-exceed price offered to TTD, after the discount, is now \$80,100.

Mr. Leary added that we plan to provide the new scope to RLC and again ask for a not-to-exceed quote but the last time we did this they only repeated their initial offer which is based on the time required. MM does have an advantage in that they are most up to date on the ISO requirements and unless RLC makes a compelling proposal we will still recommend MM at the new price limit. These interconnection studies are key to getting our project completed on time. If we issue a start order today the studies will be done in time for a late January 2012 application to ISO for approval of our interconnection.

Mr. Leary presented a summary of Fitch Street Substation Ownership Alternatives:

Understandings at present:

- The 115 KV facilities that may be owned by either TTD or NU will be part of the Pool Transmission Facilities (PTF) and supported by ISO-NE. This requires that ISO determines that the project is for reliability as opposed to economics. This means that the financing, maintenance and operating costs of the 115 KV portion of the project will not cost either TTD or NU except to the extent that payment will increase slightly for our transmission portion of the ISO billing. The owner of these facilities will have to site, design, build and pay for the new facilities and be reimbursed over the project life by ISO.
- There will be no ongoing billing from NU to TTD for this project that will not be reimbursed by ISO.
- There may be cost from NU for design services if we own the project.

Factors favoring NU ownership of substation related 115 KV facilities:

- Lower capital cost - \$1,500,000
- Less coordination between NU and TTD engineers on interconnection
- NU is accustomed to dealing with the rail road
- Improved likelihood of project being reimbursed by ISO as (PTF)
- Avoid protracted disagreement with NU that will delay commercial operation
- Less chance of problems with NU if we fail to meet the 12/1/13 contract end date since delays would likely be due, in large part, to NU process
- We would avoid having to comply with NERC bureaucracy
- We would not face new cyber security requirements associated with control of the 115 KV equipment (SCADA)
- The substation operations would be less labor intensive from the standpoint of operations. maintenance and book keeping with greater level of cooperation from NU on project in general
- Opportunity for lease payment from NU on substation site
- Less project cost from NU for design etc.

Factors favoring TTD ownership of substation related 115 KV facilities:

- More efficient process at Siting Council if NU is not a co-applicant
- Opportunity for profit (1 2+% ROE) on PTF facilities
- We will not have to share substation site with NU
- We may have greater control over the project schedule

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Mr. Plunkett stated that they need more financial information to make a decision, and Mr. Leary replied that he would do a rough profit analysis before engineering studies can be determined as the next step.

- \*\* **MR. PLUNKETT MOVED TO TABLE THE ABOVE ITEM PENDING FURTHER REVIEW OF ADDITIONAL INFORMATION THE SUBSTATION INTERCONNECTION STUDIES.**
- \*\* **MR. KOKIAS SECONDED**
- \*\* **MOTION PASSED UNANIMOUSLY.**

NORDEN GENERATORS

Mr. Leary stated that there is a meeting date of June 21 with the owners and added that they have promised to send copies of documents. He added that the people who want to by were here last week, and Mr. Kokias replied that we should sell now and deal with Norden later. Mr. Plunkett stated that he would need a legal opinion first and he would like to speak to Attorney Bove.

- \*\* **MR. PLUNKETT MOVED TO ENTER INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSION OF LITIGATION MATTERS.**
- \*\* **MR. KOKIAS SECONDED**
- \*\* **MOTION PASSED UNANIMOUSLY.**

The meeting entered into Executive Session at 8:45 p.m. and reconvened back into public session at 9:00 p.m.

The meeting was adjourned at 9:00 p.m.

Respectfully submitted,

Marilyn Knox  
Telesco Secretarial Services