

**MINUTES OF
THE SPECIAL ANNUAL MEETING
OF THE
EAST NORWALK ELECTRICAL DEPARTMENT
OF THE
CITY OF NORWALK**

**HELD ON
WEDNESDAY, MARCH 23, 2015
AT 7:00 P.M.
AT THE MARVIN
60 GREGORY BOULEVARD
EAST NORWALK, CONNECTICUT**

SPECIAL ANNUAL MEETING OF THE ELECTORS OF THE THIRD TAXING DISTRICT OF THE CITY OF NORWALK, WEDNESDAY, MARCH 23, 2015, AT 7:00 P.M. AT THE MARVIN, 60 GREGORY BOULEVARD, EAST NORWALK, CONNECTICUT.

1. WELCOME AND CALL TO ORDER

The meeting was called to order at 7:10 p.m. by Chairman Yost.

2. RATIFY AND CONFIRM PREVIOUS MARCH 4TH MEETING CANCELLATION

Motion was made by Craig Cuttner, seconded by Jim Anderson, to ratify and confirm previous March 4th meeting cancellation. The motion passed by a unanimous vote.

3. RATIFY AND CONFIRM THE MARCH 23RD MEETING AS THE ANNUAL MEETING

Motion was made by Craig Cuttner, seconded by Sarah Amato-Mills, to ratify and confirm the March 23rd meeting as the Annual Meeting. The motion passed by a unanimous vote.

4. INTRODUCTIONS

Chairman Yost introduced himself, Commissioners David Brown and Debora Goldstein, Dr. Michael Intrieri, Treasurer; Mr. James Smith, General Manager of the Third Taxing District Electric Company, Matt Allred, CPA, and John Bove, Esq., District Counsel.

5. READING AND ACCEPTANCE OF THE NOTICE OF THE SPECIAL ANNUAL MEETING

Motion was made by Craig Cuttner, seconded by Mary Klyn, to waive the reading and acceptance of the Notice of the Special Annual Meeting. The motion passed by a unanimous vote.

6. ELECTION OF SPECIAL ANNUAL MEETING CHAIRMAN

Motion was made by David Brown, seconded by Jim Anderson, to nominate Liz Lyons as Chairman. The motion passed by a unanimous vote. Ms. Lyons took over as Acting Chairman.

7. ELECTION OF SPECIAL ANNUAL MEETING SECRETARY

Motion was made by Mary Klyn and seconded by Charlie Yost, to nominate Dr. Michael Intrieri as Secretary. The motion passed by a unanimous vote.

8. REPORT OF DISTRICT CHAIRMAN

Motion was made by Susan Brown and seconded by Craig Cuttner, to waive the reading of the report of the District Chairman. The motion passed by a unanimous vote.

9. FINANCIAL REPORT OF THE EAST NORWALK IMPROVEMENT ASSOCIATION FOR THE OPERATION OF THE EAST NORWALK IMPROVEMENT ASSOCIATION LIBRARY FOR THE FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014 AND BUDGET FOR THE FISCAL YEAR JULY 1, 2015 THROUGH JUNE 30, 2016.

Mr. Stan Siegel, Executive Director of the East Norwalk Association Library, said four new members were elected to the board; Sarah Amoto-Mills, Nicholas Clark, Lee Gardella, and Mary Bennett, and they join Jim Anderson and Marlene DeBellis. The library was founded in 1915, and continues to grow and serve the community. The Board meets approximately 12 times a year, and has many other events and functions as a volunteer board, and he appreciates the time the board members give to the organization. Board meetings are held the third Tuesday of each month at 7:00 PM at the East Norwalk Association Library, 51 Van Zant Street. Also present is their librarian, Maureen Tobish, and library assistant, Daniel Seezac.

The "Read To" program for children will continue on Saturdays. Their Maker Space program attracts adults as well as children by enabling hands on activities with their new 3-D printer, gaming sessions, etc. They write an article for The Hour that appears every other Sunday in the Inside East Norwalk column. Most recently they created the Inside East Norwalk display at the library.

Mr. Seigel said they are there to vote on the 2015-2016 budget request, which they are keeping at the same level as the past several years. They do this through judicious spending, as well as contributions, program fees and in kind services which allow them to continue to expand their library services and meet the challenges of everybody while achieving technology and demand.

Art Scialabba, 12 Acacia Street, asked if the budget included any surplus or deficit from last year. Mr. Siegel said there was a surplus from last year of several thousand dollars; \$4,000 was spent on new computers, and they had to spend approximately \$6,000 for attorney's fees to answer a FOIA complaint from the Commission and approximately \$3,000 to notify the residents about the issue.

10. INDUSTRY/LEGISLATIVE UPDATE

Commissioner Goldstein said the Third Taxing District has many obligations to state, regional and federal regulators and their ability to continue to offer low rates are dependent on some of the decisions made by those folks. They participate in bond offerings through their energy buying cooperative, Connecticut Municipal Electric Energy Cooperative. (CMEEC). Removing the tax exempt status from those bonds will increase the cost of

creating the loans in order to fund infrastructure purchases because they have to pay a high premium to compete with all of the other bonds in the system, and as their representatives, the management of TTD and the Commission are busy in actively working on their behalf to make sure that they keep that happening and keep their rates low.

Their grids and wholesale energy markets are managed by the Regional Transmission Organization (RTO) through ISONE, or ISO New England. Among the ISO's responsibilities are oversight for the wholesale energy markets where they buy the power and management and planning the systems. One of the rules that the ISO sets for purchasing the electricity is that all purchases in a market based auction be priced at the highest price available at any given time when that purchase is made, which is one of the factors that drives up costs of purchasing electricity, and makes it difficult for the TTD to keep their costs low. They have been continually working closely with their partners at CMEEEC and the other regional utilities in New England to make sure that their consumers have the right to purchase their electricity as low as possible.

They are also working on pricing impacts caused by another energy source – natural gas. As the cheapest energy source for power plants to produce electricity, natural gas supply is in high demand, and it is especially true during those seasons when people are also using natural gas to heat their homes, which contribute to Connecticut's paying up to 50% higher than the national average for electric supply over the last three years. However, TTD ratepayers are paying about a third less than those getting their energy from CL&P, now known as EverSource. As a member of CMEEEC, they take advantage of power supply contracts to purchase electricity as cheaply as possible, but will have to watch very closely and look for new opportunities to keep their rates low.

Michael Sweeney asked about installing solar power panels on residential homes. Commissioner Goldstein said anyone interested in putting a solar installation in their home should contact Cynthia Tenney at the TTD, who will get the information they need.

11. FINANCIAL REPORT OF THE OPERATION OF THE ELECTRIC DEPARTMENT FOR THE FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014, FOLLOWED BY Q&A FROM THE PUBLIC

Jim Smith, General Manager, said he and staff appreciate all of the efforts that the three Commissioners and the Treasurer put into helping them run the utility, because without a team effort it couldn't be done. He referred to the balance sheet and said their total assets went up this year by a little over 2 million dollars and their liabilities actually went down, which resulted in increased retained earnings. He quickly went through the revenue and income and expense statement, and said for the 13/14 year which ended June 30th, 2014 they made a book income of about \$78,000. That profit gets put back into the system through system improvements, as they try to continually improve the services they provide. They had two major projects that really affected the books this year, which were the completion of the Fitch Street substation and the new Cervalis project. Bottom line is that they continue to be in a good solid financial position. Voters approved \$309,550 in the District Budget for

2013/14. They actually spent \$287,000. In the approved budget for 14/15 the projected is around \$287,000 again. The proposed budget is \$415,180, which includes the capital improvements for the firehouse.

Some of the highlights for the year are:

- A customer satisfaction survey was sent to 300 customers and their overall evaluation was very high in six or seven categories. The most positive area was reliability, which has been a hallmark at TTD for many years. However, their customers said that they perceive them as having a little bit lower value than the industry average, which is something they will have to continue to work on. TTD could be eligible for an award because they are in the top 10% of all the surveys SDS Research has done for municipal utilities around the country in terms of their ratings.
- In a direct comparison between TTD and CL&P on residential rates based on 700 kilowatt hours, which is a standard residential customer, the TTD rate was \$116.43 compared to CL&P's residential rate for their standard service of \$154.83, and while CL&P does have other type rates that would be a little bit lower, the TTD is still on average somewhere between 15% to 25% lower than CL&P on residential rates, which is something they should be proud of.
- They mailed a flyer to customers on November 14 on the Starter Pack program. The goal was to get 1,200 orders, and at this point they have a little less than 650.
- They donated one of their old meter reading vehicles and bought a new electric vehicle to read meters as part of their cart charging program.
- The EV Charging Station is another initiative they put in place, which can charge four electric vehicles at once.
- They have replaced almost 300 lights with LED streetlights, which is an aggressive program that they have undertaken and are well on the way to finishing.
- They have gone to a complete radio read system where they are reading remotely from their vehicle without having to go up to the location, so where it used to take 6 to 7 hours to read a route, it now takes 2.
- They just completed the new Fitch Street transformer last December. There are two of these situated on Fitch Street.
- Tim Carvey's band played for the 2014 Christmas Tree Lighting and they had a record turnout.
- The T-1 transformer on East Avenue is getting ready to be replaced in the next month with a new transformer which will allow them to spread loads over all three substations fairly evenly and have increased reliability.
- They purchased property at 18 Rowan Street on which they hope to put a materials storage facility which will allow them to be able to consolidate all their materials from all their different locations around East Norwalk and be much more efficient in the way they handle materials on and off the trucks.

Mr. Smith said to address the solar question asked earlier, there are some state incentives which say that you have to have a certain amount of generation that's built on renewables, and part of those renewables are solar. If anyone is interested in putting rooftop solar on their roof, this is the time to do it because federal tax incentives end in 2016 for rooftop

solar, and TTD will work with them where they will basically buy back everything that they generate through the solar panels and charge for the electricity that they would normally use and the net of those two becomes the net metering amount that is reflected on the bill.

Jim Anderson, 2 Old Well Court, said he would like to acknowledge what Jim Smith has done for this utility over the years he has been there, which is outstanding. (Applause).

Mr. Anderson asked if they had done any measurements on the load factor of the LED lights. Mr. Smith said a standard high pressure light usually gets replaced every one to three years whereas the LEDs will last an average of 10 to 15 years, so even though the lights are a little more expensive, between staff time in terms of replacing the bulbs and the hardware, there will be a substantial decrease in overall cost.

12. PRESENTATION OF THE DISTRICT BUDGET FOLLOWED BY Q&A FROM THE PUBLIC.

Commissioner Brown said they are asking the ratepayers to approve \$295,006 to cover the costs listed in column P. He briefly went through the line items of the 2015-2016 District Budget.

Library Building Major/Capital, they approved \$5,000 and spent nothing, and they will talk later about why that is zero.

Mr. Siegel said with regard to Library Building Major/Capital, to be clear, over the years they did submit lists of needs and do not understand their offering zero. Commissioner Brown said they can talk about this later. It always works out, maybe a contingency or whatever.

Library Masterplan was approved last year at \$20,000 projected actual, which they haven't spent anything on yet, and they are proposing \$25,000.

Other District Services is a new one this year. People ask the Commission to donate money to their organization or to their cause, and so they came up with a stringent list of things they have to do to satisfy different criteria, one being it needs to be a 501(c) organization, and they put in \$15,000.

The subtotal for all of the items is \$248,059. The East Norwalk Association Library operations is \$167,121, and the Fund Balance at Year End is \$25,000. They are asking the Electors to approve the transfer from the Electric Department to the District of \$295,006.

Commissioner Brown called upon Captain John Maggio to talk about the improvements at the firehouse on Van Zant Street. Captain Maggio said he has worked in the Fire Department for 20 years. He understands the building was built in 1883. It has a tin roof and was in bad shape with a lot of paint peeling, and they had always looked to renovate

the building and bring it back to its original character. There was some money that Save Norwalk had budgeted for a renovation, but not enough to complete the project, so after several years of the money not being funded, the men at the firehouse got together and did some framing and other work. He referred to a series of photos showing the three rooms they worked on, two of which are done. They have a new kitchen and a little addition. It is a very classic style looking firehouse and they wanted to bring it back to that look. They are probably about halfway done with the project.

In response to a question by Ms. Klyn, Captain Maggio said the cost of disposing the asbestos tile environmentally was included in the \$42,000. Some of the plumbing and electrical work was contracted out. Most all the construction was done by fire department personnel, either on their time off or even their time on. Captain Maggio invited everyone to come in and see the renovations.

Ms. Cece asked if the building is a historic building. Chairman Yost said it is a city-owned building, so it wouldn't be under the purview of the Historical Commission.

Acting Chairman Lyons said getting back to the 2015-2016 Third Taxing District Budget, are there any questions?

Art Scialabba said item #26, the Library Masterplan and Improvements, was budgeted last time for \$20,000 but the \$20,000 was not spent, and now they are budgeting \$25,000, so is that a \$45,000 number in the budget for the Masterplan?

Chairman Yost said the \$20,000 was what they projected as the actual cost of the Masterplan itself. The Commission went through a process of selecting a consultant and they have hired a consultant to work on the project, but no money has been spent yet so they have \$25,000 remaining this year for the proposed expense based on the Masterplan being done sometime in the 15/16 fiscal year.

Craig Cuttner said regarding line 29, Other District Services, Mr. Brown described that as something like philanthropic endeavors, but it doesn't seem to have any oversight of the electors to really guide them, and he asked wasn't this a little abnormal for the charter of the organization?

Commissioner Brown said the charter names certain things that they should consider. People were coming to the Commission asking for money, and they put in this line item to show that they do care and they are not a monopoly.

Chairman Yost said it is for items like donations to the Marvin School for certain projects, donations to Person-to-Person to help out with electric bills for people that are having tough times, and things like that.

Commissioner Goldstein said the inclusion of this line item was an attempt at a little more transparency. From time to time they get requests from the Marvin School PTO for

things like educational programs that revolve around energy, and they contribute to Person-to-Person to help with financial budgeting for some of their ratepayers who are struggling. Recently they contributed some money to the Veteran's Plaque at City Hall, so they decided to put an amount of money in the District Budget and they voted on a policy for making these requests. People are making presentations and requests and votes are taking place at monthly meetings at TTD. All of the requests are in the minutes at which the votes took place.

Lee Gardella said item 15 shows \$1,800 was approved for the Treasurer and \$3,000 was the actual and asked how that came about. Ron Scofield said one of their former Treasurers who was not reelected was supposed to return money back to them, but she had a stroke and never quite understood what they were talking about, so they didn't pursue it.

Mr. Siegel asked about item #26, the amount for the Library Masterplan Improvements.

Chairman Yost said the money was to start a fund for capital improvements or whatever kind of improvements the consultant comes up with for the Masterplan. It has nothing to do with bids for the RFP.

Commissioner Goldstein said, to clarify, at last year's Annual Meeting the recommended amount that was approved for the Library Masterplan was \$20,000. That money has not yet been spent. The consultant was just approved out of a 3-bid process at a very recent meeting. They recognize that the process will take several months, and this money was allocated into this budget in anticipation that there might be recommended improvements that come out of the Masterplan that would need to have some money funded.

Mr. Siegel said he doesn't understand why they are putting in zero for Library Capital when over the years they have provided a list of absolute needs for the improvement of both the building and the parking lot, which are capital improvements that they have asked for over a period of several years.

Commissioner Brown said he speaks as one person on a three man commission, and they will take care of it. They will work it out.

Mr. Inrieri said they are working together as a team, and if that is what they need, he is sure it will be done.

Ms. Cece said with regard to line item 26, she wants to make sure that having the money in the budget doesn't give the Commission the right to actually spend the money because it is a recommendation coming out of the Masterplan.

Commissioner Goldstein said like other large expenditures that are made on behalf of the District, she believes that the process would be that that item would be put on the agenda, brought before the Commission for discussion and then voted upon and recorded for the

minutes.

Ms. Cece said there is \$16,000 for the Historical Cemetery which she thinks is mostly for tree work, and asked if they have the backup materials for how they came up with that number. Commissioner Brown said they have a list of the trees that are going to be taken down and the trees that are going to be put back in, which is how they got the \$16,000. Commissioner Goldstein said they went through the whole bid process and selected Olmstead and this was brought before the Commission during the budget request season and was voted upon.

Ms. Cece said on Other District Services of \$15,000, she thinks that a maximum should be set for a given request so someone couldn't take \$10,000 or \$15,000 of the \$15,000. She suggested that instead of requests coming in potentially at every meeting of the Commission, that they open this up once or twice a year and make it part of their regular process say in January and June, and then the public could be more engaged instead of not knowing from one meeting to the next who is coming in asking for money.

Michael Sweeney noted that on line number 20, the concert series was for \$11,500 for 2013/14 and now it is \$25,000, which seems out of proportion with the overall budget, and he wanted to know what was the thinking behind spending \$25,000.

Chairman Yost said the concerts are very successful, people enjoy them, so provided that their finances will allow such an expense, they want to continue to do that. Calf Pasture Park is a great venue and he thinks it is getting back to the original charter of the Third Taxing District.

Commissioner Goldstein pointed out that they went from five concerts to seven last year which is part of the increased expense.

Dr. Intrieri said last summer he was at every concert and it was great to see all kinds of people joining in and enjoying themselves, and that's what they try to do.

Motion was made by Sara Mann that the Board of the East Norwalk Library doing business as the East Norwalk Association, after a review and careful consideration of the master strategic plan as completed and suggested by the library planning committee and Eric Cohen Consultants, retain complete control and decisions as to what they believe as the Board are realistic, affordable and sustainable with the East Norwalk Library. The motion was seconded by Sarah Amato-Mills.

Acting Chairman Lyons said, to clarify, the motion is that if the budget passes, before the \$25,000 is expended or anything else further is done with the Masterplan, that the Masterplan would revert back to the East Norwalk Improvement Association Board of Directors and they would make decisions on what to do from that point forward.

Ms. Cece said she would suggest that the Library Board can have complete control over

the Masterplan and can implement or not implement whatever the consultant's recommendations are, but not have control of the \$25,000 without District input.

Chairman Yost said they proposed a Masterplan that they would complete as a team working with the East Norwalk Improvement Association board, people from the community and the District board, and hopefully at the end of the process, they will have a workable plan to go forward with to make the library even better. The members of the library board could have come to the Commission at any one of their meetings and suggested something like this and not wait for the Annual Meeting and blow them away like this.

Acting Chairman Lyons asked would anyone like to make a friendly amendment that once the Masterplan has been done and performed, to have both the body of the District Commissioners and the East Norwalk Improvement Association body meet to go about implementation of what items they should be implementing?

Ms. Cece made a friendly amendment that the East Norwalk Association, after their review of the Masterplan as submitted by Eric Cohen, select the things that they want to implement in that program and then come back to the Commission to seek the funding for such improvements. They can't on their own decide what those components are and draw from the \$25,000. The friendly amendment was seconded by Craig Cuttner.

Art Scialabba made a friendly amendment to the amendment to reduce line item 26 to \$19,500, which is the cost of the Masterplan, put the \$5,500 that's left over into the Library Building Major Capital Fund and then see what the Masterplan says. The friendly amendment to the amendment was seconded by Jim Anderson.

Acting Chairman Lyons said the amendment is to take the money from line item 26 and make it \$19,500, the cost of the Masterplan, and then take the additional \$5,500 and put that into line 25, Library Building Major/Capital. Questions on that?

Ms. Karen Currie said she is wondering why the library board wants that finer control.

Ms. Mann said in December 2013 Charlie Yost and Jim Smith approached Jim Anderson and Stan Siegel about a financial plan, which seemed like a good idea, and the next thing they knew they went to the Annual Meeting and it was proposed almost as if the library wasn't really a player, and it was perceived by the library board at the time as a hostile maneuver. Subsequently they had a joint meeting on about April 19th with the TTD Commissioners, who had an agenda for their meeting, and nobody asked for their input at all, and as Ms. Goldstein said at the time, it was handled messily. So her motion is to make sure that whatever happens when the plan is completed, the library board can make the decisions, because they have been the drivers in the seat for the library for many years and they are not a bunch of dunderheads that don't know what they are doing.

Jim Anderson said he is in favor of the motion as he thinks it is logical and is moving the

money around to be fair. They provided a list of improvements many times, and it is a surprise to them to see zero when someone is asking for \$16,000 in trees.

The vote was called and the amendment passed 24 to 3.

Acting Chairman Lyons said they have an amendment on the floor that has been seconded. She asked Ms. Cece to restate her amendment.

Ms. Cece said the amendment is that the East Norwalk Association would come back to the Third Taxing District Commissioners with a list of recommendations for the Masterplan so that the funding of those improvements could be decided by the Commission.

Chairman Yost asked if she would amend it to a list of recommendations chosen by the library committee of the Masterplan where you have public input, the library input, and the Commission input. Ms. Cece said she will.

Acting Chairman Lyons said so you're allowing a friendly amendment to your amendment to say the recommendations come from the library committee, which is composed of the public, library board members and two commissioners. Mr. Cuttner said he will accept that.

Acting Chairman Lyons called the vote and the motion passed 18 to 9.

Acting Chairman Lyons said they now have the amendment to the main motion, which has been amended to have the library committee be comprised of board members, community members and TTD Commissioners and have the recommendation come back to them.

Mr. Bove said he thinks it has already been amended and decided. He said Ms. Mann made the motion, Mr. Scialabba amended that motion properly, and then Ms. Cece finalized it. They voted on that, and that's it.

13. AUTHORIZATION TO APPROVE THE DISTRICT BUDGET AND TRANSFER FUNDS FROM THE ELECTRIC DEPARTMENT TO THE DISTRICT ACCOUNT TO COVER THE BUDGET REQUIREMENT FOR THE FISCAL YEAR JULY 1, 2015 THROUGH JUNE 30, 2016

Acting Chairman Lyons said, for point of information, she does not believe Item 29 is correct in the budget as Other District Services because she does not think there is any way they can do that even though they have criteria in place. It is the District Electors who have that authority to spend that money, not the District Commissioners.

Chairman Yost said they just defined that, and there is a process in place to take care of it. It was a mandatory decision, not an elected decision.

Acting Chairman Lyons said they are now onto item number 13, the transfer for \$295,006. Is there a motion on the floor?

Art Scialabba moved to approve the budget and transfer the funds. Mr. Cuttner seconded.

Art Scialabba moved to amend the motion to approve the budget by removing the \$15,000 from line 29. Ms. Cece seconded.

Acting Chairman Lyons said you made a motion to approve the budget for \$295,000 and now you want to make an amendment, which Ms. Cece seconded, to remove that item? Mr. Schialaba said correct.

Acting Chairman Lyons asked if there were any questions or comments?

Commissioner Goldstein said just for clarification, eliminating the \$15,000 from the Other District Services line also alters line 35 as the \$15,000 then gets added to the Fund Balance at the bottom, and that becomes \$40,000.

Ms. Cece asked as a point of clarification, are they deleting the line or are they leaving that line in the budget with zero?

Acting Chairman Lyons said it would go to Mr. Scialabba's motion, which Mr. Cuttner seconded.

Mr. Bove said he thinks they have certain constraints pursuant to the charter, so consequently they have a procedure based on the charter, and specific charitable contributions are for the Electors ultimately to decide, so it is a process where they created this, the Electors approved this, and he thinks that procedure is the one they have to follow.

Acting Chairman Lyons said so they have a motion on the floor to delete this item. Are there any friendly amendments to give \$5,000 to Person-to-Person, give \$5,000 to Marvin and give \$5,000 to the Veterans, or do you want to take it off? Does anybody want to make an amendment?

Jim Anderson said he would make an amendment to the motion that \$5,000 be allocated to Marvin Schools.

Mike Sweeney said he would make an amended motion to give \$15,000 to the Third Taxing District Commission to allocate as they see fit.

Acting Chairman Lyons said they already have a motion on the floor to remove the item, so is he making an amendment to put the item back in and give the \$15,000 to the District

Commissioners to give out charitably? Mr. Sweeney said he doesn't think they should get to specific allocations at this time.

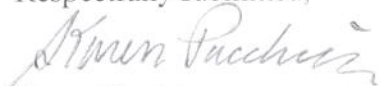
Acting Chairman Lyons said so the original amendment is on the floor to delete line item 29, Other District Services, totally. There was a second. Acting Chairman Lyons called the vote and the amendment failed by a vote of 13 to 14.

Acting Chairman Lyons said they have the original motion on the floor, which is to approve the transfer from the Electric Department of \$295,006. It has been seconded. Any further discussion? Acting Chairman Lyons called the vote and the motion passed 26 to 2. She said the District Budget has been approved.

13. ADJOURN

Upon motion by Michael Sweeney and seconded by Jim Anderson, the Special Annual Meeting of the Third Taxing District was adjourned at 9:37 p.m.

Respectfully submitted,



Karen Pacchiana