



Third Taxing District

2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271
Fax: (203) 866-9856

Third Taxing District of the City of Norwalk Commission Meeting

Monday, April 6, 2015 at 7:00p.m.

At the Third Taxing District Office, 2 Second Street, East Norwalk, CT

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – March 2, 2015 – A/R (Pgs. 1-7)
3. Renewal of Jumar Contract – A/R (Pgs. 7-11)
4. TTD Signage for Parks – A/R (Pgs. 12-18)
5. General Manager's Report (Pg. 19)
 - Update on SCADA System (Fitch Street)
 - Norden Generator Update
6. Discussion/Analysis of Financial Statements/Key Performance (Pgs. 20-25)
7. Executive Session
 - Maplewood Claim (Steve Studer)
8. Adjourn

*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, www.ttd.gov and will be available at the meeting.

M:\Shared\ Commission Meeting Information\Agenda 4-6-15.doc

District Commissioners

Charles L. Yost	203-853-0837	Chairman	James Smith	203-866-9271	General Manager
David L. Brown	203-866-8099	Commissioner	Ron Scofield	203-866-9271	Assistant General Manager
Debora Goldstein	203-252-7214	Commissioner	Michael Intrieri	203-866-3001	Treasurer

DRAFT

THIRD TAXING DISTRICT
of the City of Norwalk
March 2, 2015

ATTENDANCE: Commissioners: Charles Yost, Chair; David Brown; Debora Goldstein, Dr. Michael Intrieri, Treasurer

STAFF: James Smith, General Manager; Ron Scofield, Assistant General Manager

OTHERS: Timothy Oman, Norwalk Exchange Club; Dan Inkley, SDS Research; Judi Virgulak and Marie Jablonski, Jumar Marketing

CALL TO ORDER

Commissioner Yost called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

There was no one from the public present to comment at this time.

MINUTES OF MEETINGS

**** COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF FEBRUARY 12, 2015 SPECIAL MEETING.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION TO APPROVE THE MINUTES PASSED UNANIMOUSLY.**

**** COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF FEBRUARY 5, 2015 SPECIAL MEETING.**
**** COMMISSIONER GOLDSTEIN SECONDED.**
**** THE MOTION TO APPROVE THE MINUTES PASSED UNANIMOUSLY.**

NORWALK EXCHANGE CLUB

Timothy Oman, President of the Norwalk Exchange Club talked briefly about the various ways that the Norwalk Exchange Club serves the community. His reason for his presentation was to ask the Commission for permission to put blue lights on the tree in the Roger Ludlow Triangle during the month of April 2015 for Child Abuse Awareness month. The Exchange Club will be responsible for installing and taking down the lights at the appropriate times.

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**** COMMISSIONER BROWN MOVED TO GRANT PERMISSION FOR THE NORWALK EXCHANGE CLUB TO HANG BLUE LIGHTS ON THE TREE IN ROGER LUDLOW TRIANGLE FOR THE MONTH OF APRIL 2015.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

CUSTOMER SATISFACTION SURVEY/RESULTS

Dan Inkley was present to review the results of the Customer Satisfaction Survey they recently conducted for the Third Taxing District.

SDS Research placed approximately 300 phone calls to TTD's customers during the week of February 16th, including both residential (261) and commercial (39). Typical calls took approximately five minutes.

Industry benchmark comparisons were used for the utility survey and included Overall Satisfaction, Reliability, Customer Service, Employees, Value, Communication and Loyalty. Overall, TTD's ratings were above the benchmark in 6 out of 7 areas. The most positive areas were Reliability, Employees and Loyalty. The one area that was just below benchmark was Value.

Overall the customers are very pleased with the service they are receiving from TTD – “good service” or “keep doing what you’re doing.” There were a few with concerns about “cost/rates/prices being high” or “going up”. A few also mentioned “improve the website” or “better communication.”

Customers were also asked about their awareness to non-utility related services that TTD provides, i.e., Summer Concerts and Christmas Tree Lighting. More than half responded positively.

Out of the 300 surveys conducted, only two alerts came back and were handled within 48 hours of receiving them. One was a question about solar conversion and the other was a request for a sponsorship.

CYBER SECURITY UPDATE

Mr. Smith presented the Event Reporting Operating Plan to the Commission, which is required by a Transmission Owner as part of the Bulk Electric System (BES). TTD is now considered a Transmission Owner since the Fitch Street Substation is fully functional and is greater than 100 kV. This plan must be filed each year with NERC. Should an event occur, i.e., physical intrusion, threats, etc., a response to the event is needed within 24 hours.

Third Taxing District
Regular Meeting
March 2, 2015

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GENERAL MANAGER'S REPORT

2nd Quarter Results

Mr. Smith reviewed the 2nd Quarter (July-December 2014) results with respect to the Annual Operating Budget with the Commission. Overall, TTD is on target. Cervalis revenues are a little weak, but should improve with a new client coming on board in the near future. A few accounts were under-budgeted and will be corrected as future budgets are prepared.

JUMAR PRESENTATION

Judi Virgulak and Marie Jablonski from Jumar Marketing presented to the Commission their accomplishments for the past year and their immediate priorities for the upcoming year.

Judi began by recapping all the key items over the last year, including Customer Service Programs, Communications Campaign, Public Relations, Special Events, Website Management and General Business Support. One particular item of note was the recommended improvements to the existing Power Outage Plan. They researched and identified a third party vendor (answering service vendor), secured the contracts, created all answering service scripts, liaised with the answering service vendor and existing phone service vendor, and managed the relationship with the vendor.

Other major projects included their work on Chowdafest, the Customer Satisfaction Survey, Rate Structure Plan, Communication on Budget Billing, Summer Concert Series, Fitch Street Dedication, EV Charging Station, Christmas Tree Lighting and creating the bi-monthly newsletter.

Jumar maintains and monitors the website on a daily basis, which includes any and all updates for meetings, news, special events, emergency updates, calendar management and general maintenance. One of the major site enhancements include some of the pages being translated to Spanish.

Their immediate priorities for the future include Phase II Initiatives for the website (improved navigation/usability), Strategic PR Plan, Customer Service Programs and Newsletter Redesign.

Commissioner Yost asked that a meeting be set up between TTD, the Commission and Jumar for a brainstorming session on future plans.

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**DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY
PERFORMANCE INDICATORS**

Mr. Smith reviewed the January 2015 financials with the Commission and informed them that TTD is in reasonably good shape and that February should prove to be a better month in terms of finances.

Overall, expenses through January are in check.

Commissioner Brown asked about the Dividends (418-00) listed under Other Income and why the number had gone up so dramatically. Mr. Smith informed him that was due to the money accrued on investments.

Commissioner Yost said there is an investment committee, but the members of the committee should be changed.

- ** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES AND ADD AN AGENDA ITEM TITLED INVESTMENT COMMITTEE.**
- ** COMMISSIONER BROWN SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

INVESTMENT COMMITTEE

Discussion took place about the Investment Committee and who should be on the Committee.

- ** COMMISSIONER YOST MOVED TO RECONFIGURE THE INVESTMENT COMMITTEE TO INCLUDE CHAIRMAN YOST, COMMISSIONER GOLDSTEIN AND DR. MICHAEL INTRIERI, TREASURER.**
- ** COMMISSIONER GOLDSTEIN SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

- ** COMMISSIONER YOST MOVED TO ADJOURN.**
- ** COMMISSIONER BROWN SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:01 p.m.

Respectfully submitted,

Third Taxing District
Regular Meeting
March 2, 2015

DRAFT

Cynthia Tenney
Executive Assistant
Third Taxing District

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

Memorandum Third Taxing District Electric Department

To: TTD Commissioners

From: Jim Smith – General Manager

Date: March 13, 2015

Subject: Jumar Contract Renewal Documentation



Attached please find a copy of an executed "Statement of Work" outlining the scope of services to be provided by Jumar Marketing to TTD for the upcoming year beginning in May of 2015.

This information is being provided as a follow up to the information package you received on the subject @ the Commission meeting of March 2, 2015.

A suggested motion is attached to as part of the agenda package for your consideration should the Commission decides to move forward with Jumar for the upcoming year.

STATEMENT OF WORK #6

STATEMENT OF WORK #6

This Statement of Work #6, dated as of May 1, 2015, is by and between JumarMarketing, LLC, a Connecticut limited liability Client ("JumarMarketing"), with its principal place of business at 94 East Avenue, Norwalk, CT 06851 and Third Taxing District (the "Client") having an office at 2 Second Street, Norwalk, CT 06855.

WHEREAS, JumarMarketing and the Client have entered into a Master Services Agreement between JumarMarketing and the Client dated as of April 3, 2013 (the "Agreement"); capitalized terms used herein but not otherwise defined herein shall have the respective meaning given such terms in the Agreement;

WHEREAS, both JumarMarketing and the Client wish to enter into this Statement of Work #6 in connection with the Agreement;

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Services Provided. Marketing Services, including the following (the "Services"):
 - Website Management
 - Customer Service Programs
 - Communications Campaign
 - Public Relations
 - TTD Meetings & Special Events
 - General Business Support

Any changes in Client requirements shall require an amended Statement of Work to be executed by Client and JumarMarketing. JumarMarketing shall not be responsible for any delays that are as a result of Client's failure to meet agreed deadlines.

2. Deliverables. JumarMarketing shall deliver to Client the following (the "Deliverables"):
 - Website Management
 - Ongoing Phase 2 Development
 - Residential & Commercial Areas
 - Technology
 - Enhance customer usability with additional features and functionality
 - Additional Spanish translation
 - Content
 - Ongoing updates i.e. Calendar, agenda, minutes, etc.
 - Enhance existing online content
 - Create new content
 - Implementation and management of all online content and messaging
 - Resources
 - Define new sources of content
 - Monthly traffic/analytics
 - Customer Service Programs

- Email capture
 - Ongoing process and communications improvements/initiatives
 - Communications Campaign
 - Create bi-monthly eNewsletter content & imagery
 - Coordinate community news with Library, Firchouse, etc.
 - Coordinate & execute deployment
 - Subscribe, unsubscribe, bounce, and change management
 - Reporting on email open rates, click-through rates and bounce rates
 - Develop any other customer communications as needed – i.e. Bill inserts, flyers, etc.
 - Public Relations
 - Identify & develop PR opportunities
 - Press release development & distribution
 - Outreach to & ongoing management of local media
 - TTD Meetings & Special Events
 - Coordination
 - Communications
 - On-site support (as needed)
 - General Business Support
 - Emergency planning support
 - Ongoing training for staff – software/technology
 - Liaise with third-party vendors
 - Team processes and Q&A support
 - Regularly scheduled meetings with TTD
3. Client Responsibilities. Client responsibilities shall include:
- Approval and sign-off on all deliverables
 - Payment of all third-party costs including, but not limited to: list rentals, email deployment tool, print, production and mailing (postage)
4. Compensation. The Client shall pay to JumarMarketing the following compensation in connection with the performance of the Services and delivery of the Deliverables hereunder:
- Monthly Retainer: \$3,000/per month for twelve (12) months
5. Expenses. In addition to the compensation payable to JumarMarketing as set forth in paragraph #4 above, the Client agrees to pay the reasonable travel and other extraordinary direct expenses incurred by JumarMarketing in connection with the performance of the Services and delivery of the Deliverables, including (i) All imagery or photography that requires purchase, (ii) Any additional rounds of design changes to be billed at an hourly rate of \$175. Office related expenses, such as phone, copier and office supplies shall be excluded. JumarMarketing shall submit proper supporting documentation accounting for such expenses to the Client prior to any reimbursement upon Client's request.
6. Payment Schedule & Payments. All contracts executed between the first (1st) and fourteenth (14th) of the month require payment in full of first month retainer by Client in advance of the performance of Services and delivery of the Deliverables. All contracts executed between the fifteenth (15th) and last day of the month, require payment equal to one-half the first month's retainer by Client in advance of the performance of Services and delivery of the Deliverables. Subsequent payments will be invoiced monthly, on the first of each month, and are due no later than the 5th of the month. Past due balances will incur the

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lesser of (i) a 2% per month charge and (ii) the maximum percentage allowed under applicable law. JumarMarketing, LLC accepts checks, ACH and credit card payments. Client *must* provide JumarMarketing with a credit card authorization form for a valid credit card (Credit Cards Accepted: MasterCard, VISA and Discover Card). At such time as Client's account becomes 30 days past due, the balance will be automatically charged to the credit card.

IN WITNESS WHEREOF, the parties have each caused this Statement of Work #6 to be signed by their duly authorized representatives effective as of the date first written above.

JumarMarketing, LLC

Third Taxing District

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

→

**COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE JUMAR
MARKETING CONTRACT, STATEMENT OF WORK #6, IN THE AMOUNT OF
\$3,000/MONTH FOR 12 MONTHS.

** COMMISSIONER _____ SECONDED.

** THE MOTION PASSED UNANIMOUSLY.



Third Taxing District

2 Second Street
East Norwalk, CT06855

Tel: (203) 866-9271
Fax: (203) 866-9856

MEMORANDUM

To: Commission
From: Ron Scofield 
Date: April 6, 2015
Re: Signs

At the October 2014 Commission Meeting, the Commission discussed the signs in East Norwalk. It appears that the signs throughout the District do not match each other's style. Two signs in particular were discussed – Hanford Switch and Governor Fitch Park. Since these two signs are approximately 20-22 years old and have about three years left before they need to be replaced, the Commissions decided that all of the District signs should be replaced so that the styles match.

I was asked to get 3-4 designs of new signs and present them at the November meeting. At that meeting, it was tabled to the April 2015 Commission meeting.

Copies of the signs, which I obtained with the help of Signs by Anthony, are included in this packet. This item is now on the table for discussion at this meeting.

District Commissioners

Charles L. Yost	203-853-0837	Chairman	James Smith	203-866-9271	General Manager
David L. Brown	203-866-8099	Commissioner	Ron Scofield	203-866-9271	Assistant General Manager
Debora Goldstein	203-252-7214	Commissioner	Michael Intrieri	203-866-3001	Treasurer

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Third Taxing District Signs

Roger Ludlow Triangle:

This Park Owned and Maintained by

The Third Taxing District
East Norwalk, CT

Hanford Switch (by Clock):

Welcome To East Norwalk

Constitution Park:

Constitution Park

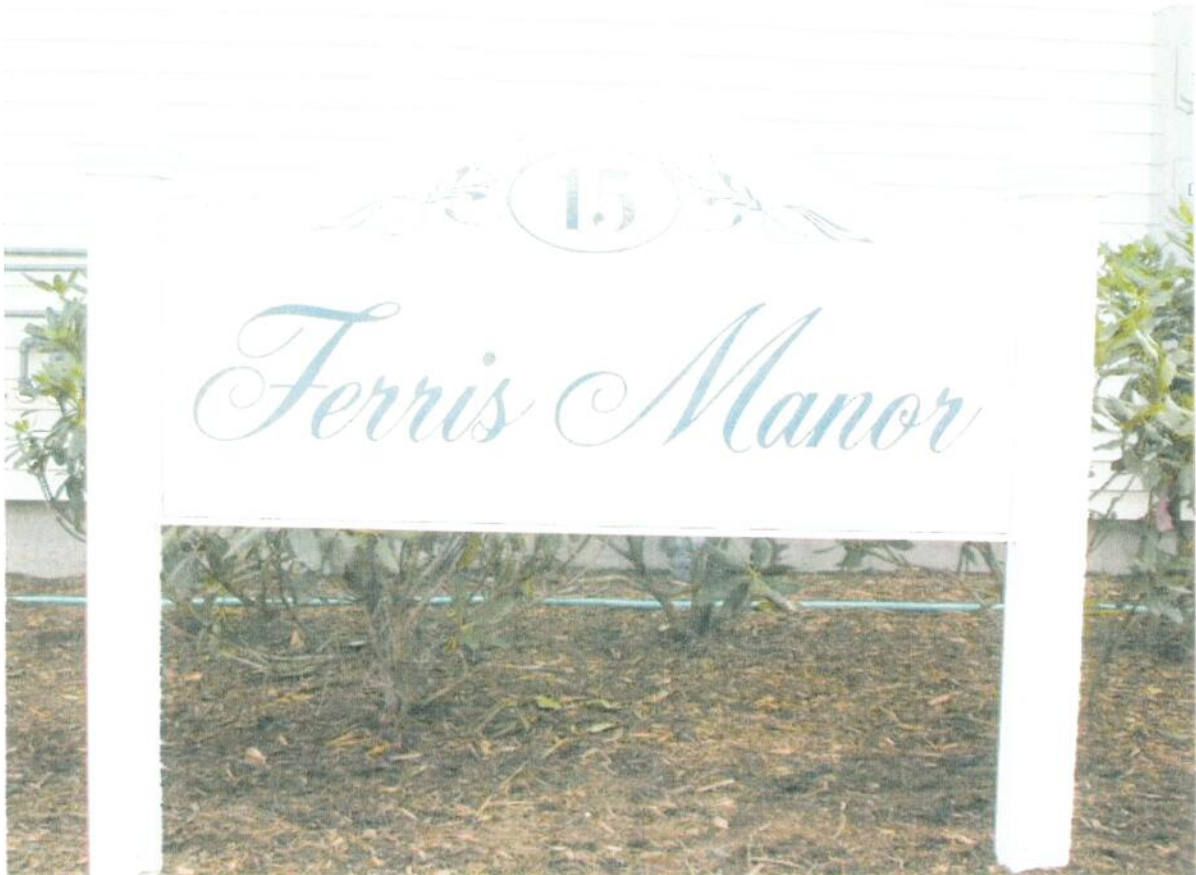
Maintained by
The Third Taxing District
Of Norwalk

Sign #1 – Cedar Post & Redwood Finials (Ball on Top of Post)

Exterior Grade Plywood – 2' x 5'

TTD Logo on White Background

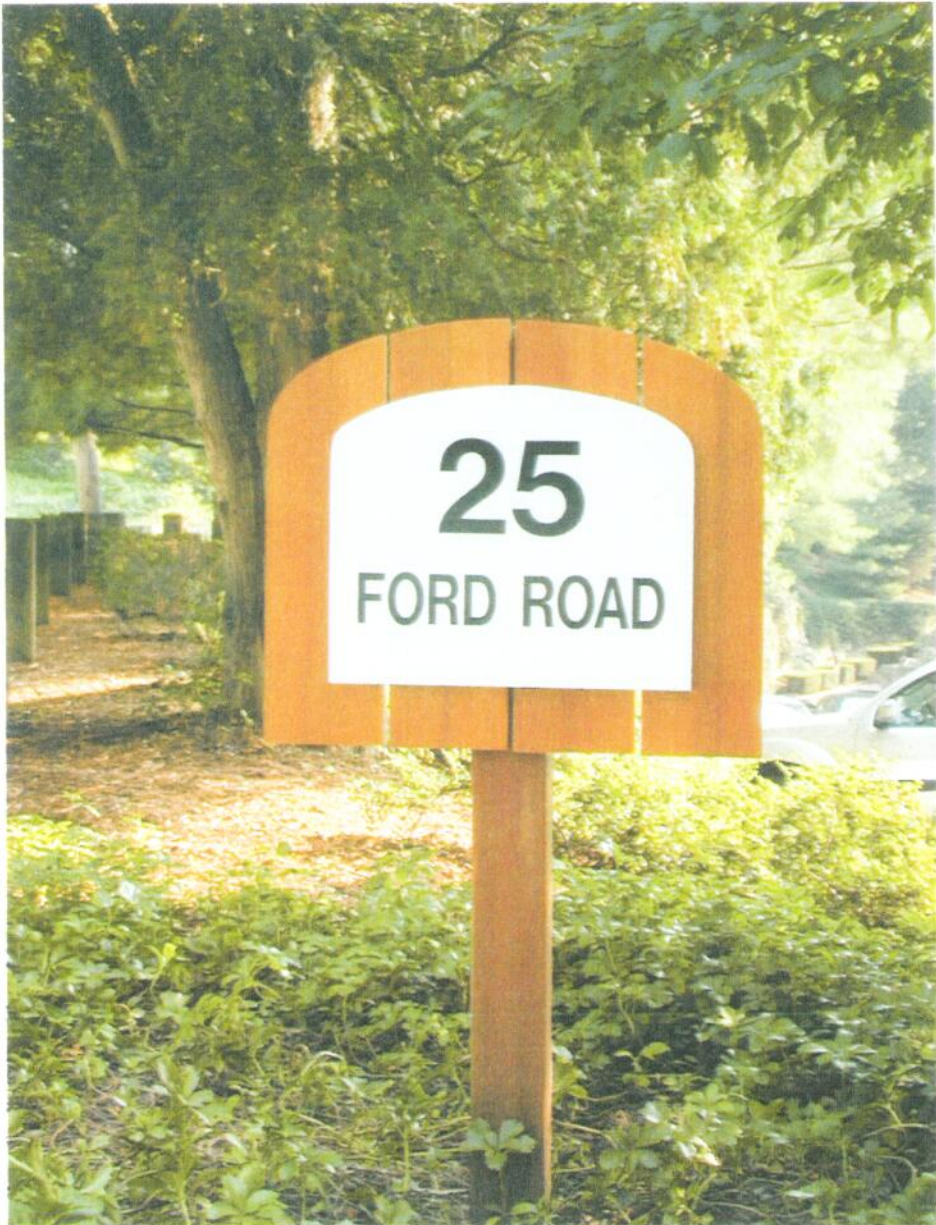
Range without installation - \$650.00



Sign #2 – Cedar Post - Exterior Grade Plywood
w/Lattice Work – 2' x 5'
TTD Logo on White Background
Range without installation - \$750.00



Sign #3 – Cedar w/Wood Preservative – 2' x 5'
TTD Logo on White Background (Face)
Range without installation - \$850.00-\$875.00



Sign #4 – Mahogany on Cedar Posts – 2' x 5'
With our Logo – White Background
Lettering in Blue
Range without installation - \$2,500.00



MOTION FOR SIGNAGE

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE ACCEPTANCE OF SIGN #___ TO REPLACE OUR PRESENT SIGNS AT CONSTITUTION PARK, HANFORD SWITCH AND ROGER LUDLOW TRIANGLE AS PRESENTED AT THE APRIL 6, 2015 REGULAR MEETING.

GENERAL MANAGER'S REPORT
(Note Page)

**Third Taxing District
Financial Highlights
July-Feb 2015 vs. July-Feb-2014**

	July-Feb -2015	July-Feb -2014	\$ Change	% Change
Total Income	6,498,135	6,561,435	-63,300	-1%
Total Expense	7,155,708	7,113,274	42,434	1%
Net Ordinary Income	-657,573	-551,839	-105,734	19%
Other Income	521,587	308,819	212,768	69%
Other Expense	36,716	21,625	-	-
Net Income before Rate Stabilization	-172,702	-243,020	70,318	-29%
Rate Stabilization	393,682	-20,161	413,843	-2053%
Net Income	220,980	-284,806	505,786	-178%

CASH BALANCES FY 2015

	Feb-15
ACCTS	
Operating Accounts	1,233,860
Capital Improvements Fund	1,153,320

Power Supply	Current Fiscal Year-to-Date	Last Fiscal Year-to-Date	\$ Change	% Change
Energy Cost	\$ 4,575,102	\$ 4,078,862	\$ 496,240	12%
Budget Energy Cost	\$ 4,209,094	\$ 3,874,919	\$ 334,175	9%
Energy Cost Cents/KWH	10.970	10.380	\$ 0.59	6%

Third Taxing District
Profit & Loss Prev Year Comparison
February 2015

	Feb 15	Feb 14	\$ Change	% Change
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	7,500.88	0.00	7,500.88	100.0%
440-00 · Residential Sales	427,197.69	255,691.65	171,506.04	67.08%
442-01 · Large Commercial Sales	102,045.73	24,017.94	78,027.79	324.87%
442-02 · Small Commercial Sales	222,036.51	100,305.38	121,731.13	121.36%
445-01 · Water Pollutn Contrl PInt Sales	102,639.24	58,324.98	44,314.26	75.98%
445-02 · Flat Rate	8,729.79	7,423.06	1,306.73	17.6%
557-00 · Purchased Power Adjustment	56,106.75	278,444.80	-222,338.05	-79.85%
Total Income	926,256.59	724,207.81	202,048.78	27.9%
Cost of Goods Sold				
555-00 · Electrical Power Purchased	662,207.95	697,410.63	-35,202.68	-5.05%
Total COGS	662,207.95	697,410.63	-35,202.68	-5.05%
Gross Profit	264,048.64	26,797.18	237,251.46	885.36%
Expense				
904-00 · Substation	18,984.15	19,031.82	-47.67	-0.25%
403-00 · Depreciation Expense	46,636.06	60,370.35	-13,734.29	-22.75%
408-00 · Taxes	1,242.58	676.90	565.68	83.57%
540-00 · Other Power Generation Expense	19,522.51	15,762.97	3,759.54	23.85%
580-00 · Distribution Expenses	1,855.09	5,600.34	-3,745.25	-66.88%
590-00 · Maintenance Expenses	50,207.82	21,062.81	29,145.01	138.37%
900-00 · Customer Accounts & Service	17,337.63	26,262.13	-8,924.50	-33.98%
920-00 · Administrative Expenses	156,430.89	136,267.90	20,162.99	14.8%
Total Expense	312,216.73	285,035.22	27,181.51	9.54%
Net Ordinary Income	-48,168.09	-258,238.04	210,069.95	81.35%
Other Income/Expense				
Other Income				
418-00 · Dividends	0.00	0.01	-0.01	-100.0%
419-00 · Interest Income	24.00	33.33	-9.33	-27.99%
421-00 · Norden Project Income	48,120.00	0.00	48,120.00	100.0%
424-00 · Energy Conservation Fund Income	2,922.32	6,716.80	-3,794.48	-56.49%
Total Other Income	51,066.32	6,750.14	44,316.18	656.52%
Other Expense				
426-20 · Energy Conservation Expense	0.00	0.00	0.00	0.0%
942-00 · Interest Expense	208.60	707.16	-498.56	-70.5%
Total Other Expense	208.60	707.16	-498.56	-70.5%
Net Other Income	50,857.72	6,042.98	44,814.74	741.6%
Net Income before rate stabilization	2,689.63	-252,195.06	254,884.69	101.07%
Rate Stabilization	34,362.17	-39,098.86	73,461.03	188%
Net Income	37,051.80	-291,293.92	328,345.72	289%

Third Taxing District
Profit & Loss Prev Year Comparison
 July 2014 through February 2015

	Jul '14 - Feb 15	Jul '13 - Feb 14	\$ Change	% Change	
Ordinary Income/Expense					
Income					
443-00 · Cervalis Data Center Revenues	79,487.02	0.00	79,487.02	100.0%	
440-00 · Residential Sales	2,356,304.71	1,802,823.67	553,481.04	30.7%	
442-01 · Large Commercial Sales	606,060.07	410,451.59	195,608.48	47.66%	
442-02 · Small Commercial Sales	1,572,876.79	1,270,433.33	302,443.46	23.81%	
445-01 · Water Pollutn Contrl Plnt Sales	665,140.77	466,471.07	198,669.70	42.59%	
445-02 · Flat Rate	57,840.04	54,062.40	3,777.64	6.99%	
557-00 · Purchased Power Adjustment	1,160,425.89	2,557,192.77	-1,396,766.88	-54.62%	Footnote 1
Total Income	6,498,135.29	6,561,434.83	-63,299.54	-0.97%	
Cost of Goods Sold					
555-00 · Electrical Power Purchased	4,575,102.00	4,776,272.35	-201,170.35	-4.21%	
Total COGS	4,575,102.00	4,776,272.35	-201,170.35	-4.21%	
Gross Profit	1,923,033.29	1,785,162.48	137,870.81	7.72%	
Expense					
904-00 · Substation	147,455.66	37,471.38	109,984.28	293.52%	Footnote 2
930-43 · TTD 100th Anniversary	0.00	28,240.77	-28,240.77	-100.0%	
403-00 · Depreciation Expense	414,291.35	352,556.71	61,734.64	17.51%	Footnote 3
408-00 · Taxes	143,860.13	158,368.01	-14,507.88	-9.16%	
540-00 · Other Power Generation Expense	75,911.23	80,444.53	-4,533.30	-5.64%	
580-00 · Distribution Expenses	36,103.80	37,896.85	-1,793.05	-4.73%	
590-00 · Maintenance Expenses	411,924.93	330,231.04	81,693.89	24.74%	Footnote 4
900-00 · Customer Accounts & Service	179,675.81	303,939.38	-124,263.57	-40.88%	Footnote 5
920-00 · Administrative Expenses	1,171,383.04	1,007,853.21	163,529.83	16.23%	Footnote 6
Total Expense	2,580,605.95	2,337,001.88	243,604.07	10.42%	
Net Ordinary Income	-657,572.66	-551,839.40	-105,733.26	-19.16%	
Other Income/Expense					
Other Income					
418-00 · Dividends	13,249.00	1.70	13,247.30	779,253%	
419-00 · Interest Income	161.72	355.43	-193.71	-54.5%	
421-00 · Norden Project Income	468,334.20	255,987.41	212,346.79	82.95%	
423-00 · Gain/(Loss) from Sale of FA	0.00	12,500.00	-12,500.00	-100.0%	
424-00 · Energy Conservation Fund Income	39,841.88	39,973.98	-132.10	-0.33%	
Total Other Income	521,586.80	308,818.52	212,768.28	68.9%	
Other Expense					
426-30 · PERSON TO PERSON	20,000.00	20,000.00	0.00	0.0%	
426-10 · Distribution to "District Fund"	0.00	0.00	0.00	0.0%	
426-20 · Energy Conservation Expense	14,694.72	0.00	14,694.72	100.0%	Footnote 7
942-00 · Interest Expense	2,021.07	1,625.48	395.59	24.34%	
Total Other Expense	36,715.79	21,625.48	15,090.31	69.78%	
Net Other Income	484,871.01	287,193.04	197,677.97	68.83%	
Net Income before rate stabilization	-172,701.65	-264,646.36	91,944.71	34.74%	
Rate Stabilization	393,681.64	-20,161.48	413,843.12	2,052.64%	
Net Income	220,979.99	-284,807.84	505,787.83	177.59%	

Third Taxing District
Profit & Loss Statement
Explanation of Major Variances
Jul-Feb -2015 vs. Jul- Feb - 2014

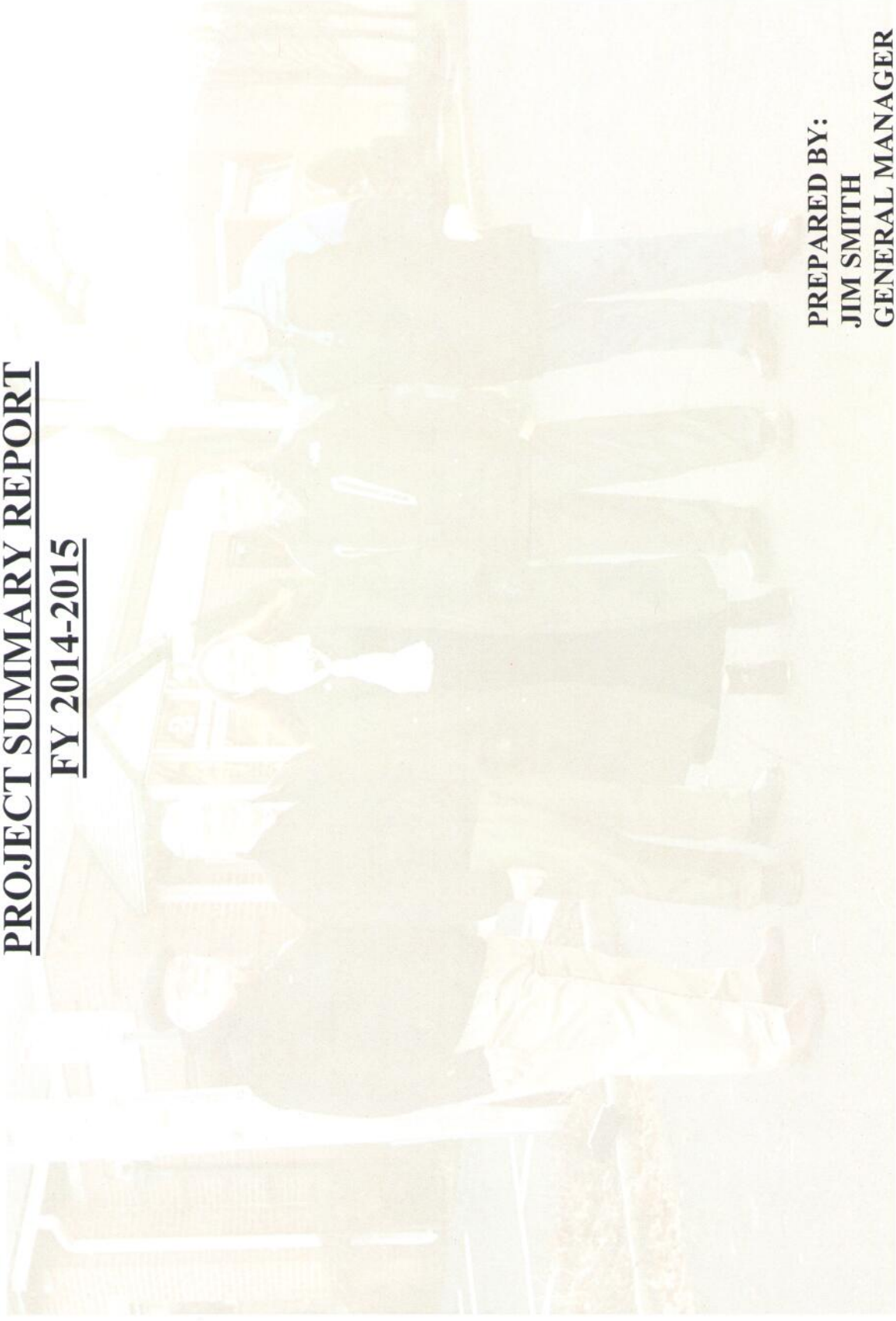
1. The decrease in the fuel adjustment is due to the fact that the District moved to a revenue neutral rate adjustment in accordance with the results of the independent rate study. The Fuel Adjustment rate was decreased and the adjustments were spread proportionally to the revenues throughout the system. This can be seen by reviewing the year to date February 2015 month to date financial statements versus the year to date February 2014 financial statements.
2. The increase in substation expense of \$110K is due to the fact that a separate payroll expense category was setup for Pete Johnson and Scott Tracey who will be working on the substation.
3. Increase in depreciation expense is up due primarily to the depreciation of substation which came on line in January of 2014. The substation will be depreciated over 20 years and will have an annual depreciation of \$251,328 or monthly depreciation of \$20,944.
4. The \$81K increase in Maintenance Expense is due to approximately \$16K in additional substation maintenance from Eleck & Salvato, Oman's Garden, and Effective Plumbing, related to a water leak below the Fitch Street Substation Control House. These expenses will be offset in the future with a credit received from Eaton Corporation. We also spent \$8K on overhead line maintenance with WESCO. There is approximately 6,400 in roof repairs with Zhakar roofing. There is also an increase in tree trimmings and other related maintenance in an effort to reduce outages.
5. The approximate \$124K decrease in Customer Accounts & Service is mainly due to payroll associated with the retirement of Ana Aguilar, as well as the fact that wages for Pete Johnson were shown in this category during the prior year and are now listed under Substation expense for the current year. Ana's decreased wages are now being partially offset by the hiring of the new customer service rep position.
6. The increase of \$164K in Administrative Expenses is due to the following:
 - a. \$9K in temporary staffing of Cynthia and Kiki before hiring.
 - b. \$40K in repairs and maintenance.

- c. \$95K in engineering fees paid to Cristino Associates for the on-going SCADA project as well as substation engineering. These amounts will be offset and capitalized as Joe is in the process of preparing a summary of the project.
 - d. \$10K increase over prior year in timing of health insurance premiums/expenses.
 - e. The remainder is due to increases in Admin payroll, payroll taxes and call time charged to this account based on increased customer activity over the period.
7. The amounts in Energy Conservation expense are due to the purchase of the new LED streetlights as well as LED bulbs for our customers. As these expenses are incurred they are reimbursed to the district through our conservation fund.

THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)

		2015	February 2014	Industry Average (Bandwidth)	
1)	<i>OPERATING RATIO</i>	TOTAL OPERATING EXPENSE / TOTAL OPERATING REVENUE	110.12%	108.41%	87% - 92%
2)	<i>POWER SUPPLY EXPENSE RATIO</i>	TOTAL POWER SUPPLY EXPENSES / TOTAL EXPENSES	64%	67%	65% - 70%
3)	<i>BAD DEBT RATIO</i>	TOTAL CUSTOMER ACCOUNTS OVER 90 DAY / TOTAL ACCOUNTS RECEIVABLE	5.06%	4.10%	3% - 10%
4)	<i>ACTUAL RATE OF RETURN ON RATE BASE</i>	AUTHORIZED BY STATE STATUTE	N/A	N/A	Varies by state
5)	<i>ELECTRIC CUSTOMERS PER EMPLOYEE</i>	TOTAL ELECTRIC CUSTOMERS / TOTAL FULL TIME EMPLOYEES	320	384	200 - 500

THIRD TAXING DISTRICT
PROJECT SUMMARY REPORT
FY 2014-2015



PREPARED BY:
JIM SMITH
GENERAL MANAGER

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THIRD TAXING DISTRICT – PROJECT SUMMARY

UPDATED: MARCH 31, 2015

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
1)	A-BASE METER REPLACEMENT PROGRAM	<ul style="list-style-type: none"> IN PROCESS WITH METER DEPT. 	COMPLETE 3 RD QUARTER 2015	
2)	CUSTOMER SERVICE TRAINING PROGRAM	<ul style="list-style-type: none"> TRAINING THROUGHOUT THE YEAR BASED ON TRAINING OPPORTUNITIES AND EMPLOYEE SCHEDULES. 	ON-GOING	.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

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#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
3)	SUCCESSION PLANNING PROCESS	<ul style="list-style-type: none"> COMPLETE WITH PERIODIC REVIEW 	ON-GOING	<ul style="list-style-type: none"> MARCH 2015 – DISCUSSIONS UNDERWAY REGARDING STAFFING/ PERSONNEL NEEDS AS PART OF THE INITIAL BUDGET DISCUSSIONS FOR THE 2015-2016 FISCAL YEAR WITH RON/MIKE.
4)	RADIO-READ METER UPGRADE		ON-GOING THROUGH 2015	<ul style="list-style-type: none"> MARCH 2015 – TESTED AND INSTALLED 100 RADIO-READ METERS DURING THE MONTH OF MARCH. WE ARE WINDING DOWN INSTALLING OUR INITIAL SHIPMENT OF METERS FROM JEWETT CITY (1,100 METERS) AND WILL BE PURCHASING ADDITIONAL STOCK IN THE UPCOMING FISCAL YEAR.
5)	UPGRADE FLEET VEHICLES	<ul style="list-style-type: none"> PURCHASING/LEASING VEHICLES IN ACCORDANCE WITH FIVE-YEAR FLEET VEHICLE REPLACEMENT SCHEDULE. 	ON-GOING WITH PERIODIC UPDATES	<ul style="list-style-type: none"> MARCH 2015 – LOOKING INTO LEASE OPTIONS FOR REPLACING THE SUBSTATION TECH'S 2005 PICK-UP TRUCK.



COMMENTS/MONTHLY UPDATE

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#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
6)	UPDATE EMERGENCY PLAN FOR DEPARTMENT	<ul style="list-style-type: none"> IMPLEMENTED AS NEEDED DEPENDING ON WEATHER CONDITIONS, OR AS SPECIAL CIRCUMSTANCES DICTATE. 	ON-GOING	<ul style="list-style-type: none"> MARCH 2015 – UPDATED THE CITY’S EMERGENCY MANAGEMENT PLAN WITH CURRENT INFORMATION FROM THE TTD’S EMERGENCY RESPONSE PLAN AT THE REQUEST OF THE FIRE CHIEF.
7)	UPDATE TERMS/ CONDITIONS OF SERVICE/FEEES	<ul style="list-style-type: none"> COMPLETED WITH PERIODIC UPDATES 		
8)	I/T UPDATE/ UPGRADE	<ul style="list-style-type: none"> TRANSITION PROCESS COMPLETED WITH PERIODIC UPDATES TO HARDWARE/ SOFTWARE, IS SYSTEM, ETC. 	ON-GOING	<ul style="list-style-type: none"> MARCH 2015 – FINALIZING PLANS WITH COGSDALE FOR MAY 1ST IMPLEMENTATION OF NEW BUDGET BILLING SYSTEM. SOFTWARE DEVELOPMENT FOR ESTIMATING DEMAND METERS ASSOCIATED WITH OUR RADIO-READ CONVERSION PROJECT CONTINUED DURING THE MONTH. ONCE COMPLETED, ENTIRE METER ROUTES WILL BE ABLE TO BE ESTIMATED, IF NECESSARY. TTD HAS NEVER HAD THIS CAPABILITY IN THE PAST.



COMMENTS/MONTHLY UPDATE

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<u>#</u>	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
9)	CONDUCT COST OF SERVICE/RATE STUDY	<ul style="list-style-type: none"> COMPLETE WITH PERIODIC UPDATES. 		<ul style="list-style-type: none"> MARCH 2015 – UPDATED THE PURCHASE POWER ADJUSTMENT CALCULATION TO REFLECT ACTUAL POWER COSTS THROUGH THE JANUARY BILLING CYCLE. WE WILL BE ADJUSTING THE CURRENT FUEL ADJUSTMENT FROM 1 CENT PER KWH TO 1.7 CENTS PER KWH TO RECOVER THE CUMULATIVE UNDER COLLECTION OF WHOLESale POWER COSTS THROUGH JANUARY AND WILL BE UPDATING THE CALCULATION EACH MONTH WITH ACTUAL COSTS AND ADJUSTING THE PURCHASE POWER ADJUSTMENT AS NECESSARY.
10)	STRATEGIC PLANNING PROCESS	<ul style="list-style-type: none"> TO BE ADDRESSED WITH THE COMMISSION AT A FUTURE DATE. 		
11)	MAPLEWOOD		ON-GOING	<ul style="list-style-type: none"> MARCH 2015 – CONSIDERABLE LEGAL ACTIVITY CONTINUES ON THE MAPLEWOOD CASE, INCLUDING EXTENSIVE DATA GATHERING FROM STAFF AFTER PURA RULED NOT TO DISMISS THE CASE. WE ARE CURRENTLY PREPARING FOR AN EVIDENTIARY HEARING IN FRONT OF PURA SOMETIME IN THE FIRST TWO WEEKS OF APRIL. THE COMMISSION CONTINUES TO GET FULLY BRIEFED BY STEVE STUDER FROM BMD AND HAS RECEIVED ALL WRITTEN MATERIALS PERTAINING TO THE CASE.



COMMENTS/MONTHLY UPDATE

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#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
12)	WEBSITE/BRANDING PROJECT		ON-GOING THROUGH FIRST QTR 2015 BASED ON EXTENSION OF AGREEMENT BY COMMISSION.	
13)	CATV POLE ATTACHMENTS/AMPLIFIERS	<ul style="list-style-type: none"> CURRENTLY IN ACTIVE NEGOTIATIONS WITH CABLEVISION. 	ON-GOING	<ul style="list-style-type: none"> MARCH 2015 – FINAL COMMENTS ON CABLEVISION CONTRACT HAVE BEEN RECEIVED FROM PHIL SUSSLER AFTER SOME DELAY. INTERNAL REVIEW IS CURRENTLY UNDERWAY. A REVISED DRAFT WILL BE SENT TO CABLEVISION’S ATTORNEYS DURING THE LAST WEEK IN MARCH.
14)	UPGRADE/ENHANCE FUEL TANKS @ 2 SECOND STREET	<ul style="list-style-type: none"> CURRENTLY IN COMPLIANCE WITH ALL STATE CODES 	ON-GOING	
15)	SUBSTATION UPGRADES AND IMPROVEMENTS	<ul style="list-style-type: none"> PROJECTS ON-GOING IN ALL SUBSTATIONS IN ORDER TO UPGRADE/ MAINTAIN COMPLIANCE WITH CONVEX/NERC/ FERC REQUIREMENTS. 	ON-GOING	<ul style="list-style-type: none"> MARCH 2015 – SCADA PROJECT BID SUBMITTALS HAVE BEEN REVIEWED AND A RECOMMENDATION WILL BE MADE AT THE APRIL 2015 COMMISSION MEETING.



COMMENTS/MONTHLY UPDATE

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16)	18 ROWAN STREET RENOVATION	<ul style="list-style-type: none"> PROPERTY ACQUIRED, HOUSE DEMOLISHED AND LOT REPAVED. FINAL STEP IS TO SITE A MATERIALS STORAGE FACILITY ON THE SITE. 	ON-GOING THROUGH 3 RD QUARATER 2015	
17)	CONSTRUCTION OF ELECTRIC VEHICLE CHARGING STATION	<ul style="list-style-type: none"> COMPLETED JANUARY 2015. 		<ul style="list-style-type: none"> MARCH 2015 – HAD DISCUSSIONS WITH JUMAR ON AGGRESSIVELY PROMOTING THE CHARGING FACILITY THROUGH PRINT, MEDIA, ETC. IN ORDER TO ATTRACT ADDITIONAL VEHICLES TO THE STATION. A PROMOTIONAL CAMPAIGN IS CURRENTLY BEING DEVELOPED.



COMMENTS/MONTHLY UPDATE

TIMELINE

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#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
18)	CUSTOMER SATISFACTION SURVEY	<ul style="list-style-type: none"> COMPLETED IN FEBRUARY 2015 	FIRST QTR 2015	<ul style="list-style-type: none"> MARCH 2015 – DAN INKLEY FROM SDS RESEARCH REVIEWED THE RESULTS OF THE CUSTOMER SATISFACTION SURVEY WITH THE COMMISSION AT THE MARCH 2, 2015 MEETING. THE RESULTS FROM THE SURVEY WERE OVERWHELMINGLY POSITIVE, POTENTIALLY PLACING TTD IN THE TOP 10% OF ALL UTILITIES IN THE COUNTRY THAT SDS HAS SURVEYED. WE ARE FOLLOWING UP TO DETERMINE IF AN AWARD WILL BE PRESENTED AS A RESULT. AN INTERNAL REVIEW OF SURVEY RESULTS WAS CONDUCTED WITH STAFF DURING THE MONTH, WITH THE INTENT OF DRAWING UP AN ACTION PLAN TO ADDRESS AREAS THAT NEED IMPROVEMENT WHICH WERE POINTED OUT IN THE SURVEY. A FOLLOW-UP MEETING WAS HELD WITH JUMAR TO REVIEW THE RESULTS OF THE SURVEY AND DETERMINE HOW WE CAN MOST EFFECTIVELY PROMOTE SURVEY RESULTS TO OUR CUSTOMERS AND THE GENERAL PUBLIC. WE ARE CURRENTLY WAITING FOR FEEDBACK FROM JUMAR.



COMMENTS/MONTHLY UPDATE

TIMELINE

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#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
19)	<p><u>MISCELLANEOUS</u></p> <ul style="list-style-type: none"> • ANNUAL REVENUE/ EXPENSE BUDGET/FIVE-YEAR CAPITAL BUDGET 	<p>COMPLETED DURING MONTH OF JUNE, 2014</p>	<p>SECOND QTR 2014, PRESENT TO COMMISSION FOR JULY 1, 2014 IMPLEMENTATION</p>	<ul style="list-style-type: none"> • MARCH 2015 – PRELIMINARY DISCUSSIONS WERE HELD DURING THE END OF THE MONTH ON THE PREPARATION OF THE CAPITAL AND EXPENSE BUDGETS FOR FY 2015-16.
	<ul style="list-style-type: none"> • SOLAR P/V PROJECT ROOFTOP AT SECOND STREET OFFICE 	<p>DISCUSSION STAGE</p>		
	<ul style="list-style-type: none"> • LOBBY RENOVATION 	<p>COMPLETE</p>		
	<ul style="list-style-type: none"> • LEASE NEGOTIATION – NORDEN GENERATORS 	<p>DISCUSSION STAGE</p>	<p>FIRST QTR 2015</p>	<ul style="list-style-type: none"> • MARCH 2015 – WE HAVE MADE CONTACT WITH NORDEN/FORTIS ON THE LEASE NEGOTIATIONS. WE HAVE AGREED TO HAVE THEIR ATTORNEYS CREATE AN INITIAL DRAFT FOR DISCUSSION AND PROCEED FROM THERE.



COMMENTS/MONTHLY UPDATE

TIMELINE

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PROJECT

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#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
	<u>MISC. (Cont.)</u>			
	• SOLAR PROJECTS	DISCUSSION STAGE/ POTENTIAL PROJECTS	ON-GOING	
	• DONATION OF METER VEHICLE	COMPLETED	DECEMBER 2014	
	• ANNUAL FINANCIAL AUDIT (FYE 6/30/14)	COMPLETED AS OF DECEMBER 27, 2014	EXPECTED COMPLETION DATE – OCTOBER 15 TH OF EACH YEAR	
	• LED STREET LIGHT PROJECT	ON-GOING	ALL OF 2015	
	• ANNUAL MEETING	COMPLETED		<ul style="list-style-type: none"> • MARCH 2015 – CONSIDERABLE STAFF TIME SPENT PLANNING, EXECUTING AND FOLLOWING UP ON TTD’S ANNUAL MEETING DURING THE MONTH. THE MEETING WAS COVERED BY ALL OF THE LOCAL MEDIA OUTLETS IN THE AREA.