

FINAL

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
Commission Meeting  
May 4, 2015

**ATTENDANCE:** Commissioners: Charles Yost, Chair; David Brown; Debora Goldstein

**STAFF:** Jim Smith, General Manager; Ron Scofield, Assistant General Manager;  
Cynthia Tenney, Executive Assistant

**OTHERS:** Marvin PTO: Leia Hamilton, Lisanne Kyle, Sarah Amato-Mills  
CMEEC: Justin Connell

**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 present from the public.

**MINUTES OF MEETING**

April 6, 2015

**\*\* COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF APRIL 6, 2015 REGULAR MEETING.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

April 1, 2015

**\*\* COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF APRIL 1, 2015 SPECIAL MEETING.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

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April 24, 2015

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF APRIL 24 2015 EMERGENCY MEETING.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **MARVIN SCHOOL GRANT REQUEST**

Sarah Amato-Mills spoke to the Commission and requested a grant in the amount of \$5,000 for Marvin School's Science programs. The grant money would be for 4 programs throughout the school year. Commissioner Brown asked what the Maritime Seashore Exploration program entailed. Ms. Amato-Mills explained what the program was about and how it teaches the children about marine life, conservation and being eco-friendly.

Ms. Amato-Mills explained the reason for the request. Without the grant money, the financial aspect would fall upon the parents and some of the families are considered as low income and would not be able to afford the cost for their child(ren). The funds would guarantee that all the students would be able to participate.

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE GRANT TO THE MARVIN IN THE AMOUNT OF \$5,000.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **CMEEC PRESENTATIONS**

#### **Summer Market Outlook**

Mr. Connell indicated that as of today, 80% of the energy has been procured for the summer at a price of \$53/MWh. Pricing has been coming down due to the milder weather the area has been experiencing. The balance of the power supply portfolio will be filled in over time as the weather forecasts are updated. As of right now there are no indications as to whether it will be either a hotter or cooler summer.

#### **Community Solar Garden Update**

CMEEC and the member utilities have gone out and procured 15MW of Community Solar Gardens, which is utility grade solar. Then, the utilities sign up retail customers to participate in the energy generated from the community solar gardens. It benefits the retail customers who don't have the benefit to install their own solar.

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The solar garden will be located at the Groton Subase, Groton Waste Water Treatment Facility, Norwich Rogers Road Landfill, Bozrah and Stott Avenue near the CMEEC offices in Norwich. Construction is currently ahead of schedule. The expected commercial operation date is between Q4 2015 and Q1 2016.

There will also be a battery storage opportunity. CMEEC will be contracting for 1.5MW of storage capacity to be installed at the Subase and Stott Avenue locations. The solar gardens will charge the batteries, and CMEEC will discharge the batteries at strategic intervals to create an economic benefit for its members.

By July 2015 members will have marketing materials available for Solar Garden subscriptions. This program will replace the current Green Choice Program. Individuals will have the opportunity to subscribe for their desired solar power mix. As of right now, Third Taxing District has 24 customers that are signed up for the Green Choice Program.

### **CMEEC MEMBERSHIP MARGINS**

Mr. Smith explained that CMEEC has declared a membership margin which is basically a dividend as a result of their operations. Mr. Smith and Commissioner Brown attended a special meeting at CMEEC and it was declared that they wanted to take a Full Excess Equity Distribution. Third Taxing District is entitled to \$226,760 from the overall dividend. Mr. Smith and Commissioner Brown discussed where the monies should be transferred to and are recommending it go to the Rate Stabilization Fund.

Commissioner Goldstein asked what the other choices were. Mr. Smith said it could be used to offset an invoice, placed in the Trust Fund or take it as a direct check.

**\*\* COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE TRANSFER INTO THE RATE STABILIZATION FUND.**

**\*\*COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **COST OF SERVICE/RATES**

Mr. Smith reviewed with the Commission the development of the retail rate design in 2014. Some of the updates included the elimination of the 2 free KW of demand, which appears to not have been issue whatsoever, as well as any issues from the ratepayers with regard to the new rate structure. We have had few, if any, comments from customers.

A detailed Power Cost Adjustment Worksheet has been established and is being used to track month-to-month changes in the wholesale cost of power from CMEEC. TTD has set the initial PCA at 0.0100 (1 cent) for the past six months. As of April 1, 2015 it was raised to 0.0170 (1.7

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cents) due to a cumulative under collection of PCA revenues. This will be monitored more closely and may need to have adjustments made on a quarterly basis.

Mr. Smith believes that within the next 12 months an update to the initial Cost of Service Study should be performed in order to further refine costs and “true up” the results of the initial study.

### **ENERGY CONSERVATION PROGRAMS/ACTIVITIES**

Ms. Tenney reviewed with the Commission the different energy conservation programs that Third Taxing District is currently offering their ratepayers – solar, rebate programs, lighting retrofit incentives, HES Program and the bi-annual light bulb program.

Since January, solar and rebate programs have not been as active. On the other hand, the HES Program has become popular and since the beginning of January, 17 customers have taken advantage of this “free” program.

The most recent program taking place is the Free Light Bulb Program. This time around, TechniArt designed a landing page for TTD and an email blast was sent to the ratepayers, whereby allowing them to order their light bulbs online vs. mailing in a coupon. The coupon still exists and is being included in the May billing.

### **ANNUAL MEETING REVIEW**

Mr. Scofield told the Commission now that the Annual Meeting has taken place, it is a good idea to go back and review the proceedings and get input as to how it could be handled more efficiently. He asked the Commission if they had any new recommendations or requests for future meetings. For example, perhaps we should look for a new Recording Secretary, as he doesn't believe our current Recording Secretary can do it as quickly or efficiently as in the past. He asked what type of Minutes would the Commission like to see coming out of the Annual Meeting, i.e., a transcript vs. verbatim.

Commissioner Brown thought that perhaps the Recording Secretary could take the agenda and make small notes, i.e., who gets elected as Secretary, election of Meeting Chairperson, etc.

Commissioner Goldstein showed concern about fulfilling the FOI obligation by having the Minutes posted within 48 hours, which would consist of motions and votes taken. She indicated that the Commission would still want to have a full transcript of the meeting so they could get a good read on the intent of the room and any little idiosyncrasies that may have taken place.

Commissioner Yost suggested that a laptop/projector be used to put the current motion up for all to read, as well as any amendments that come from the floor, so as to avoid any confusion as to what is taking place at the time. He also suggested that videos of all voting be taken.

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It was also suggested that the meeting needs to be slowed down and be more formal, thus eliminating any confusion for the ratepayers.

It was decided that the Commissioners would give this topic more thought over the next few months and revisit the subject in September.

### **CAPITAL/OPERATING BUDGETS FOR FY 2015-16**

Mr. Smith has conducted initial planning meetings with both Mike Adams and Ron Scofield over the past month or so. In early April budget worksheets for given to both for data input with a “first draft” due at the end of April.

Mr. Smith is also meeting with Matt Allred to review the first draft of each budget in order to make any adjustments necessary prior to printing a “second draft” for the final review at the end of May. Subsequent budget meetings will then be scheduled with the Commission as necessary to review and approve the budgets for the upcoming fiscal year.

### **GENERAL MANAGER’S REPORT**

#### **ByLaw Review**

Mr. Smith indicated that this issue had been pursued in the past with John Bove and at the time the consensus of the Commission was to defer developing a formal set of ByLaws until a future date. Since this item is now on the calendar, he is once again asking if there is any interest in having any further discussion on the matter.

Mr. Smith provided the Commission with “sample” ByLaws from other organizations similar to Third Taxing District. Discussion took place about the ByLaws and how to develop them. Mr. Smith felt he could put together a draft, run it by the Commission and then take it up with John Bove.

After further discussion, it was decided that Commission Goldstein would work collaboratively on the project with the Commission to produce a rough draft for a future meeting.

#### **Contributions Line Item – 2015/16 Operating Budget**

With regard to the new line item of “Other District Services” added to the District Budget, Mr. Smith made the suggestion that perhaps we add a “Contributions” line item to the Operating Budget and remove the line item from the District Budget going forward. Discussion took place about whether or not it should be removed from the District Budget in the future and what the effects would be with the ratepayers. Further discussion will take place at a future meeting.

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

Net income is positive. Since July, \$315,100 has been added to the Rate Stabilization Fund. Going forward another line item will be added the Financial Highlights page to reflect the Total CMEEC Debt being paid down. The beginning total CMEEC debt beginning in July 2014 was approximately \$5.3 million. As of today, it is approximately \$4.7 million.

During the month of March, we basically held our own. It was a fairly cold month, power bills ran high, a lot of overtime associated with call-outs, etc. Bottom line is that March was a break-even month.

We still had a strong month with regard to Norden. We didn't run into the market as much as we had anticipated. We're holding our own P&L-wise.

With regard to Cervalis, an expansion of 1MW to 1.5MW may take place within the next couple of months due to a new client coming in.

3<sup>rd</sup> Qtr. Budget vs. Actual with a benchmark of 75% - From a budgeting standpoint for revenues, the budgeting is pretty close, 74% of budget. Total Income is at 76%. We under-estimated our power supply expenses which is at 61%. On a cash basis, we're in fairly good shape. We've spent a lot of time tracking these expenses. For those that are above the benchmark, we are always looking for ways to lower the costs.

**EXECUTIVE SESSION**

- Defamation Claim regarding items published in local news sources – Planning and Strategy of a Potential Claim
- FOI Appeal regarding ENIA Executive Session – Planning and Strategy of a Potential Claim
- Maplewood Claim

**\*\* COMMISSIONER YOST MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS POSSIBLE CLAIM(S) FOR DEFAMATION, TO DISCUSS AN APPEAL TO THE FOI COMMISSION AND MAPLEWOOD CLAIM.**

**\*\* COMMISSIONER BROWN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Mr. Smith and Mr. Scofield entered into Executive Session at 8:55 p.m.

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**\*\* COMMISSIONER YOST MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**

**\*\* COMMISSIONER GOLDSTEIN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Mr. Smith and Mr. Scofield returned to public session at 9:25 p.m.

**ADJOURNMENT**

**\*\* COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**

**\*\* COMMISSIONER YOST SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:25 p.m.

Respectfully submitted,

Cynthia Tenney  
Executive Assistant  
Third Taxing District