

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
June 2, 2014

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

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

OTHERS: Drew Rankin, CMEEC; Justin Connell, CMEEC Portfolio Manager

CALL TO ORDER.

Commissioner Brown called the meeting to order at 7:02 p.m. A quorum was present.

PUBLIC COMMENT.

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

**** COMMISSIONER BROWN MOVED TO CONSIDER AGENDA ITEM # 3 - CMEEC NEXT.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

CMEEC:

- Review of Norden Generating Units/Summer Market Conditions.

Mr. Justin Connell and Mr. Drew Rankin from CMEEC came forward and distributed copies of Summer Condition Update on June 2, 2014. Mr. Rankin explained that Mr. Connell was the Portfolio Manager and noted that the phrase "forward management" in the reports refers to the hedge position.

Mr. Rankin pointed out that it has been a volatile winter in terms of both the weather and the gas pricing. He then explained how the cost of the commodity was determined. He then reviewed the details in the handout with the Commissioners. Mr. Rankin explained that there were variables of uncertainty, such as weather conditions or the use of solar power. CMEEC's purpose is to predict and manage the energy.

Mr. Connell spoke about the natural gas prices that have remained high despite the much lower temperatures in the spring. CMEEC does not do speculation on energy, but does work within the variables that change.

Commissioner Goldstein asked about a reference to manipulation of the energy. Mr. Connell said that while there may be speculation by other groups in the market, everything works through

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ISO New England, so the chance for manipulation is greatly limited. Mr. Rankin said that if CMEEC thought there was any possibility of manipulation, CMEEC would sever the relationship.

Discussion followed on the projections for the forward electric market. Mr. Smith said that he felt CMEEC should present this type of report to the Commission twice a year so the Commission will be aware of how CMEEC is managing the energy costs.

Mr. Smith said that at the end of the day, it is critical to manage the costs and keep the rates down. He said that he had asked CMEEC to compile a rate graph with CL&P and the other five municipalities.

Mr. Rankin then made a short presentation about the Community Solar Garden concept, which is creating a centralized utility for solar power generation. This can be installed on low use lands such as landfills for the economy of scale pricing. Brownfields can be used along with capped landfills. If there are no locations in the area, the District can purchase ownership or subscriptions in another garden elsewhere.

Commissioner Brown asked about methane from landfills. Mr. Rankin said that there was a contract agreement with a group in Rhode Island regarding the use of the landfill methane gas and gave a quick overview of those portfolio holdings.

The discussion then moved to the use of solar power for retail businesses and how it affects the cost of energy for both the utilities and the customers.

- CMEEC Membership Margin - Recommendation of Placement Fund.

Mr. Rankin then reviewed the CMEEC Membership Margin with the Commissioners. There are two funds, the CMEEC Margin and the CMEEC Equity. The profit from the margin from some customer classes goes directly into the Rate Stabilization Fund and is calculated based on the CMEEC membership share percentage.

Mr. Rankin then spoke briefly about the CMEEC equity fund and how it is maintained. Any equity profits are made available to the owners. The first time an equity distribution of 5.6 million dollars was made available to the owners was on May 19th. He then reviewed the details of the equity distribution process.

Mr. Rankin said that the funding was put into the Rate Stabilization Fund for the time being. If it was left in the Equity Fund, TTD would not have access to the funds until next year. Commissioner Goldstein asked what the TTD's distribution share was. Mr. Smith said that it was slightly under 240 thousand dollars.

Mr. Smith said that his recommendation was to put the funds into the Rate Stabilization for the time being. It is fairly easy to withdraw the funds if necessary and the TTD is trying to rebuild the fund.

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Commissioner Brown said that the funds were part of the equity. Mr. Rankin agreed and said that it is part of the calculation of cash on hand for working capital, but everyone recognizes that the funds belong to the members. However, CMEEC is in a good place financially at the present time.

Commissioner Goldstein asked what the balance was in rate stabilization. Mr. Smith said that it was just under 2 million dollars. Commissioner Goldstein then asked if TTD wanted to make a significant withdrawal, if there was a notification required. Mr. Smith said that when the substation was constructed, the cost came from the trust fund. He added that there were no major projects on the horizon that would require the use.

Commissioner Brown then had several questions about Person-to-Person being a statewide organization. Mr. Smith said that he thought that Person-to-Person was a state wide organization but was sure that they had a local Norwalk chapter. He said that the TTD had made a donation to Person-to-Person to help those who needed energy assistance. Commissioner Brown asked if there were others groups who also donated. Mr. Rankin said that it might be happening but that he was not aware of it. CMEEC generally is not involved in the retail side of the business.

Commissioner Goldstein asked if a vote was needed on this issue. Mr. Smith said yes. Commissioner Goldstein then suggested that in the future, if a resolution was required, it should be indicated on the agenda.

**** COMMISSIONER BROWN MOVED TO PLACE THE \$238,104 DIVIDEND FUNDS INTO THE TTD RATE STABILIZATION FUND AS RECOMMENDED.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

MINUTES OF MEETINGS.

May 5, 2014 and Library Adhoc Committee Meeting of April 15, 2014.

Commissioner Brown said that there had been a request for a verbatim transcript of the Library Adhoc Committee Meeting of April 15, 2014 because this was not possible due to the fact that there was a recording failure. Instead, the secretary reconstructed the minutes.

April 15, 2014 Adhoc Committee Meeting.

The following corrections were noted:

Page 5, paragraph 5, line 2 – Please delete the following: “He added that they meet every third Wednesday at the Marvin, and all are welcomed to attend and to bring baked goods.”

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**** COMMISSIONER BROWN MOVED TO APPROVE THE LIBRARY ADHOC COMMITTEE MEETING OF APRIL 15, 2014 WITH THE ACKNOWLEDGEMENT THAT THERE WAS NO INDEPENDENT COLLABORATION FOR THE CHANGES.
** COMMISSIONER GOLDSTEIN SECONDED.
** THE MOTION TO APPROVE THE LIBRARY ADHOC COMMITTEE MEETING OF APRIL 15, 2014 AS CORRECTED PASSED UNANIMOUSLY.**

May 5, 2014 Minutes.

Commissioner Brown said that Dr. Intrieri's name was spelled incorrectly.

The following corrections were noted:

Page 2, **MOTION**, please change the following motion from:

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES TO CONSIDER THE VAN ZANT STREET HVAC BID AS THE NEXT AGENDA ITEM.
** COMMISSIONER BROWN SECONDED.
** THE MOTION TO SUSPEND THE RULES TO CONSIDER THE VAN ZANT STREET HVAC BID AS THE NEXT ITEM PASSED UNANIMOUSLY.**

TO:

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES TO CONSIDER THE VAN ZANT STREET FIREHOUSE HVAC BID AS THE NEXT AGENDA ITEM.
** COMMISSIONER BROWN SECONDED.
** THE MOTION TO SUSPEND THE RULES TO CONSIDER THE VAN ZANT STREET FIREHOUSE HVAC BID AS THE NEXT ITEM PASSED UNANIMOUSLY.**

Page 2, under **HVAC Bid – Van Zant Street Firehouse**, paragraph 1, line 1 – please change the following from: “the Van Zant Station” to “the Van Zant Firehouse.”

Page 3, under **General Manager's Comments**, paragraph 3, line 1: please change the following from “that ENNA was” to “that ENIA was”

Page 5, paragraph 1, line 5: please delete the following: “Commissioner Brown said that he felt Atty. Bove should be as specific as possible.”

**** COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF MAY 5, 2014 AS CORRECTED.
** COMMISSIONER GOLDSTEIN SECONDED.**

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**** THE MOTION TO APPROVE THE MINUTES OF MAY 5, 2014 AS CORRECTED PASSED UNANIMOUSLY.**

Presentation and Discussion of 2014-15 Revenue/Expense Budget and 2014-15 Five Year Capital Budget.

Mr. Smith then reviewed the details of the Five Year Capital Budget with the Commissioners. Discussion followed about the various details.

The costs in the Capital Budget have all been updated and were not inflated. He then spoke about an upcoming transformer replacement and explained the lead time on a new transformer would be 8 or 9 months.

Mr. Smith recommended that the full Board be present before the Budget is approved and reminded everyone that the goal was to have this approved by July 1st. The narrative should give them all the details. The Commissioners should review it and note down any questions. Dr. Intriери commented that the budget appeared to be very thorough.

Mr. Smith then indicated where the summary was found in the binder for the Capital Budget. Mr. Smith then gave an overview of how the budget sheets were laid out and where the back up information would be found for the summary page. He said that following this capital plan would result in having all the major capital needs addressed and recommended a “phased in” approach for getting it done over a period of years, if necessary.

Mr. Smith then reviewed the 2014-15 Operating Budget spreadsheet located in the front of the binder.

Commissioner Brown asked what the criteria was for the 'small commercial' and 'large commercial' designation. Mr. Smith said that usually it was calculated by usage.

Commissioner Brown said that he would prefer to discuss this when Commissioner Yost was present.

Mr. Smith said that they had discovered a few small errors and he would be re-issuing those pages to the Commissioners.

**** COMMISSIONER BROWN MOVED TO TABLE THE DISCUSSION AND APPROVAL OF THE BUDGET TO A SPECIAL MEETING WITH THE DATE TO BE DETERMINED.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION TO TABLE THE DISCUSSION AND APPROVAL OF THE BUDGET TO A SPECIAL MEETING PASSED UNANIMOUSLY.**

Policy on Donations - Draft for Review/Comments.

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Commissioner Brown said that he read the policy and would like to state that unless it was related to energy or power, the Commission should not be approving donations. He said that with the Marvin School, if the president of the Marvin PTO had not been married to a former Commissioner, they never would have received the money in the first place.

Commissioner Goldstein said that any donations must come out of the District funds, not out of the rate payers. She said that it would be important to have the District funds allocated into an account for this type of function. Other than the Library, the Fire House, the Cemetery and the summer concert, any additional donations should be energy related.

Dr. Intrieri said that he would like to know about the legal issues. Mr. Smith said that he had been asked to create a draft donation policy and had Atty. Bove review it as requested. He said that the Commission would have to add a line item to the budget for Donation allocations. Discussion followed.

**** COMMISSIONER BROWN MOVED TO TABLE THE DRAFT ON THE DONATION POLICY.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Award of Bid - Fencing for 18 Rowan Street.

Mr. Smith said that the house had been demolished and that the area was being black topped per the bid documents. The next step is to fence the area in for security. Commissioner Brown said that there had been an issue with a gate that bordered the Library parking lot. Mr. Smith said that the two gates would be useful when moving materials around.

**** COMMISSIONER GOLDSTEIN MOVED TO AWARD THE BID FOR THE FENCING FOR 18 ROWAN STREET TO THE LOWEST AND BEST BIDDER, ATLAS COMPANIES, LLC OF BRANFORD, CT IN THE AMOUNT OF \$12, 385.00.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Discussion/Analysis of Financial Statement/Key Performance Indicators.

**** COMMISSIONER BROWN MOVED TO TABLE THE DISCUSSION/ANALYSIS OF FINANCIAL STATEMENT/KEY PERFORMANCE INDICATORS TO THE NEXT MEETING.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

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ADJOURNMENT.

**** COMMISSIONER BROWN MOVED TO ADJOURN.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:30 p.m.

Respectfully submitted,
Sharon L. Soltes
Telesco Secretarial Services