

CITY OF NORWALK
THIRD TAXING DISTRICT
SPECIAL MEETING
MARCH 4, 2009

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

STAFF: George Leary, General Manager, Ron Scofield, District Clerk

Mr. Plunkett called the meeting to order at 8:30 P.M.

PUBLIC COMMENT

There were no members of the public wishing to speak.

LOAN TO CMEEC

The matter of a temporary loan to CMEEC from the Electric Department's Municipal Competitive Trust Fund, which is on deposit at CMEEC, and which matter was discussed at length at the Commission meeting of March 2, 2009 was discussed further. Following discussion:

**** MR. PLUNKETT MOVED TO ADOPT THE BOARD RESOLUTION OF MARCH 4, 2009.**

**** MR. KOKIAS SECONDED**

**** MOTION PASSED UNANIMOUSLY**

THE THIRD TAXING DISTRICT

BOARD RESOLUTION

MARCH 4, 2009

Whereas The Third Taxing District ("TTD") and the Connecticut Municipal Electric Energy Cooperative ("CMEEC") are parties to a Power Sales Agreement ("PSA") requiring TTD to purchase all of its electric requirements from CMEEC;

Whereas the PSA obligates TTD to pay certain CMEEC costs (including fixed cost obligations and other power supply related expenses as more particularly defined in the PSA) incurred in arranging for a power supply for TTD and other members of CMEEC;

Whereas CMEEC, TTD and other members participating in CMEEC have established and funded a Municipal Competitive Trust (the "Trust") to cover certain costs more particularly

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described in the Trust including the costs for the acquisition of power supply not otherwise budgeted or reserved;

Whereas CMEEC's existing \$35 million line of credit with Wachovia Bank, normally used for liquidity purposes, has been utilized to retire other CMEEC long term debt that had been issued in the auction rate market prior to the collapse of that market;

Whereas as part of its response to recent changes in credit markets, CMEEC is in the process of reconfiguring and refinancing certain credit facilities used for power supply purposes including providing the financial liquidity needed to participate in certain power supply arrangements and related risk management tools (forward commodity purchases and similar agreements), all as more fully described in a letter from Maurice Scully, CMEEC CEO dated February 27, 2009;

Whereas pending the long term refinancing by CMEEC of existing debt originally issued to support the construction of the Pierce Power Station (expected to issue on or before April 30, 2009), CMEEC requires access to additional credit liquidity to ensure that it will be able to meet its obligations to post collateral under a number of electricity and fuel commodity risk management agreements;

Whereas CMEEC's financial advisors and underwriters expect this refinancing to fully close successfully in less than 60 days; and

Whereas TTD is the beneficiary of approximately \$3 million of the funds in the Trust and TTD believes that loaning such funds for a period ending no later than June 1, 2009 to CMEEC to provide temporary liquidity is in TTD's long term interest;

Now, therefore, it is hereby

Resolved, that TTD, acting by and through its Board of Utility Commissioners and pursuant to Article 4 of the Trust, hereby requests and approves the release of up to \$3 million of Trust funds with respect to which TTD is the beneficiary for the purpose of lending those funds to CMEEC to meet its temporary liquidity needs as described above, provided that each such release of funds requested by CMEEC shall be evidenced by a promissory note delivered by CMEEC as the borrower to TTD as the lender and provided further that as consideration for making these funds available CMEEC shall pay to TTD on or before March 10, 2009 a commitment fee comparable to the commitment fee charged by Wachovia Bank for a similar line of credit for the outstanding period;

Resolved, that any amounts paid to TTD by CMEEC pursuant to such note shall be repaid directly to the Trust;

Resolved, that the General Manager be, and he hereby is, authorized to deliver a written transmittal on behalf of TTD pursuant to Article 4 of the Trust requesting that up to \$3 million of Trust funds with respect to which TTD is the beneficiary in accordance with and for the purposes set forth above.

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ADJOURN

**** MR. PLUNKETT MOVED TO ADJOURN AT 8:45 P.M.**

**** MR. KOKIAS SECONDED**

**** MOTION PASSED UNANIMOUSLY**

Respectfully submitted,

George E Leary,
Secretary Pro Temp