

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
May 7, 2018

ATTENDANCE: Commissioners: David Brown, Chair; Debora Goldstein;
Pamela Parkington; Treasurer: Johnnie Mae Weldon

STAFF: Kevin Barber, General Manager;

OTHERS: Peter Johnson (CMEEC Ratepayer Representative)

CALL TO ORDER

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

PUBLIC COMMENT

No one from the public was in attendance to comment.

MINUTES OF MEETING

March 29, 2018 Special Joint Meeting

Correction on Page 1, Public Comment, 3rd line – should read “the mitigation of the environmental...”.

**** COMMISSIONER BROWN MOVED TO APPROVE THE MINUTES OF MARCH 29, 2018 SPECIAL JOINT COMMISSION MEETING AS CORRECTED.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** TWO ACCEPTED; 1 ABSTAINED.**

**** THE MOTION PASSED.**

**** COMMISSIONER PARKINGTON ABSTAINED AS SHE DID NOT ATTEND THE MEETING.**

April 9, 2018 Special Meeting

Commissioner Brown questioned the language used under Section 2(a) in the Note and Mortgage Modification with respect to Line of Credit Renewal. Mr. Barber is going to get a copy and review the language and see if it can be changed by the bank and report back to the Commission.

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Commissioner Brown asked about the term “floor rate.” He was told that it means the lowest rate. Commissioner Parkington asked if there was a cap on the rate as well. Mr. Barber will be checking into this and report back to the Commission with an answer.

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF APRIL 9, 2018 SPECIAL COMMISSION MEETING.
** COMMISSIONER BROWN SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

April 16, 2018 Regular Meeting

Correction on page 6, 7th paragraph, last line – “route” should be changed to “routes.”

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF APRIL 16, 2018 REGULAR COMMISSION MEETING.
** COMMISSIONER PARKINGTON SECONDED.
** TWO ACCEPTED; 1 ABSTAINED.
** THE MOTION PASSED.
** COMMISSIONER BROWN ABSTAINED AS HE DID NOT ATTEND THE MEETING.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

In Mr. Allred’s absence, Mr. Barber reviewed the financials with the Commission and said that if there were any questions he could not answer at this time, he would get the answers and get back to the Commission.

Total Income was \$7,775,522, a decrease of 1.44% over last year. Total Expense was \$7,475,538, a decrease of 8.15% over last year. Net Income Before Rate Stabilization was \$1,310,825, an increase of 1,292%. Net Income was \$1,311,914, a decrease of 3% over the previous year.

Cash Balances are in good shape. Operating Accounts are consistent with the previous months. The Outstanding Principal Balance with CMEEC continues to decrease with a current balance of \$3,216,242.

Mr. Barber pointed out that the Norden Generators have been running more than budgeted and the income is currently up \$177,662, an increase of 78.4% from last year.

KPI’s – Mr. Barber reviewed the KPIs with the Commission. The Power Supply Expense Ratio is currently under the Industry Average at 59% and he believes it is due to the PTF (Pooled Transmission Facility) credits TTD has received. He also pointed out that a new line had been added – Rate Stabilization.

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PCA – Mr. Barber informed the Commission that the PCA chart is the new version that he had reviewed with the Commission at a prior meeting and also shows a projection through the end of the current fiscal year.

CMEEC EQUITY DISTRIBUTION

Mr. Barber informed the Commission that the CMEEC Member Delegation met on May 2, 2018 and voted unanimously to distribute the 2017 Distribution Eligible Equity to the member utilities. Third Taxing District's portion of the distribution is \$641,089.

Per the CMEEC Membership Agreement, there are five options for the distribution of the funds. After Mr. Barber's discussion with Mr. Allred, it is his recommendation to take it as a direct cash payment and deposit the full amount into the Capital Improvements Fund.

**** COMMISSIONER BROWN MOVED TO ACCEPT GENERAL MANAGER KEVIN BARBER'S RECOMMENDATION TO DEPOSIT THE \$641,089 DISTRIBUTION FROM CMEEC INTO THE CAPITAL IMPROVEMENTS FUND.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

EAST NORWALK LIBRARY SOLAR BIDS UPDATE

Mr. Barber stated that at the direction of the Commission, staff with the assistance of Michael Cassella, put together an RFP for a Solar Photovoltaic System to be installed on the roof at the East Norwalk Library. The notice for the RFP ran for two days in The Hour. Three bids were received back with a bid range of \$85,996 to \$88,350 for a turn-key project. All three companies have performed work in the District.

The logic behind the bids was to put the maximum number of panels (approximately 30kW) on the roof in order to generate excess electricity. This would offset the majority of the electricity used by the library. The excess electricity generated would be fed back into the TTD electric distribution system and would reduce the amount of electricity that is purchased by TTD from the grid through CMEEC and help to reduce the monthly and yearly peaks on the system.

Another benefit would be to the District in reducing electric bills for the Library. This would be a direct benefit to the District Budget with lower operating costs for the Library.

TTD can use the RRIF (Renewable Resource Investment Fund) to fund the project. The current balance would more than pay for the installation of the system.

Mr. Barber is asking the Commission if they would like to pursue this project before going any further with one-on-one vendor interviews and conducting a detailed financial analysis to review

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the benefits of the project. A recommendation would then be put before the Commission in June. It was the consensus of the Commission to move forward at this time.

GENERAL MANAGER'S REPORT

APPA Conference in June

Commissioner Brown said that he and Mr. Barber had already talked about this and that the conference coincided with the June 18, 2018 Commission meeting. Options are to either have the meeting without Mr. Barber or move the date of the meeting. Commissioner Goldstein pointed out that the June 18th meeting was targeted for approving the FY18-19 Operating/Capital budgets. Mr. Barber would return from the conference on June 21, 2018. The Commission discussed optional days for moving the meeting.

Commissioner Goldstein also stated that she believed Mr. Barber was also looking for the Commission's approval to attend the conference per his contract.

**** COMMISSIONER BROWN MOVED TO ALLOW GENERAL MANAGER, KEVIN BARBER, TO ATTEND THE APPA ANNUAL CONFERENCE FROM JUNE 15-20, 2018 AND TO MOVE THE JUNE 18, 2018 COMMISSION MEETING TO MONDAY, JUNE 25, 2018.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Ludlow Tree Signage

Mr. Barber informed the Commission that he has been advised that a banner has been ordered for the tree in Roger Ludlow Park for the month of May in support of National Gun Violence Awareness. Mr. Barber's question to the Commission is whether or not this will be done each month for the lighting of the tree. Commissioner Brown said it would be useless to light the tree if no one knew why it was being lit.

Mr. Barber clarified himself by saying he just wants to understand the process in order to get a grasp on the cost associated with having signage each month and deal with the installation and removal each month. He wants to be able to handle the project thoroughly.

The Commission discussed the monthly tree lighting and other options for the signage, i.e., a permanent structure that would have a removable section that indicates the organization that is being supported. This would be similar to the concert sign that is in the park during the summer months. Commissioner Goldstein also suggested looking into the possible purchase of a digital sign that would just need to be changed each month.

Staff is going to investigate options and costs and come back to the Commission at a future date with a recommendation. In the meantime, staff will get the May banner placed in the park.

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Update on Third Party Pole Attachers

Mr. Barber said as a follow-up from the December 2, 2017 meeting, he has engaged TTD's legal counsel Steve Studer, to investigate whether TTD has the right to deny third parties from attaching to the District's poles. Atty. Studer has reviewed this and said that TTD cannot deny a third party from access to the utility poles without a valid reason. Atty. Studer will be forwarding a memo to Mr. Barber stating this position. Once received, it will be forwarded to the Commission.

Commissioner Goldstein informed the Commission that AT&T is launching "Airgig" which will deliver high speed internet by shooting it down the power lines. If TTD were to decide to go into this type of business, TTD would not have the option to do it that way if they were allowed under the guise of pole attachments to be using TTD's power lines to deliver their broadband.

Mr. Barber stated that they are allowed to attach to the poles, but cannot enter into TTD's domain on the poles. There is a requirement that they must remain a certain distance from TTD's electrical wires and not utilize them.

Commissioner Parkington asked if TTD were able to handle a broadband company at this time. Mr. Barber stated that no, TTD cannot with their current configuration.

To date, TTD has received requests from AT&T and MCI Metro to connect to the District poles. AT&T is using the attachments to run fiber to a cell tower installed at a local site. MCI Metro has not provided TTD with a detailed reason or the attachments siting proprietary information.

TTD will begin the process of establishing formal relationships with these companies. The agreement with Cablevision will be used as a template for establishing the new agreements and the companies will be charged a yearly rental fee based on the number attachments to the poles. Mr. Barber will review the industry fees and be sure that TTD will be collecting the proper attachment fees.

EVERSOURCE UNDERGROUNDING

Review of Draft Letters to Various Agencies

Commissioner Goldstein recapped from the meeting of April 16, 2018 that a series of Resolutions were made with regard to the Eversource Undergrounding. The Resolutions were based on writing letters of support for the various agencies, i.e., Norwalk Harbor Management Commission and the Shellfish Commission.

Commissioner Goldstein presented a draft letter to the Commission. In addition to this letter, other letters would also need to be written. Organizations that would receive the letters would be the DOT, Eversource, City of Norwalk, Army Corps of Engineers, DEEP, FERC and the CT

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Siting Council. She stated that John Pinto from the Norwalk Harbor Management Commission has already reviewed the current draft letter and appeared to be on board with it. Copies have been sent to the Shellfish Commission, but no feedback has been received to date.

After further review and discussion of the letter, it was determined that the Commission was not ready to finalize the letter at this time as there were some corrections that needed to be made and some of the Commissioners wanted to review it further. In order to get this completed in a timely fashion, the Commission agreed to a Special Telephonic Commission meeting to be held on Monday, May 14, 2018 at 12:00 p.m.

Review of Proposed Questions to Consulting Engineer

Commissioner Goldstein stated that the Commission had authorized TTD to hire Cristino Associates to assess the situation, answer questions for the Commission and submit a report to TTD with regard to the Eversource Undergrounding project. The Commission worked on developing the following topics to be crafted into questions for Cristino Associates.

- Safety issues?
- What are the effects to the Right of Way for the City once Eversource has undergrounded their cable?
- How will Eversource be able to identify the exact path once the cable is buried?
- What is horizontal directional drilling and how precise is it?
- Are there alternate routes that can be considered?
- What are the environmental issues and their impact?

The staff will work on getting the above into formal questions for Cristino Associates and send a draft to the Commission. Once approved, Mr. Barber will review with Mr. Cristino.

STRATEGIC PLANNING

The Commission was not prepared at this time to begin the process of Strategic Planning. Commissioner Brown said he would like to see examples of Strategic Planning from other companies before beginning. Commissioner Goldstein said wanted to work on obtaining White Papers, but at this time priorities with other agenda items has taken precedence.

Due to constraints of other topics the Commission is currently handling, they would like to hold off on putting Strategic Planning on the agenda for a few months. The meeting of August 20, 2018 will be designated for Strategic Planning.

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PROJECT SUMMARY

T3 Transformer – Commissioner Goldstein asked what had happened with regard to the delay with the transformer. Mr. Barber stated that the manufacturer notified TTD on April 30, 2018 that the core will not be ready in time. Due to the delay, the project may continue into the next fiscal year.

State (CT DOT) Bridge Projects – Mr. Barber was able to secure an updated list of properties being acquired from the State of CT. Since the list was received, an article has appeared in The Hour that the State of CT will be taking more properties under eminent domain. Mr. Barber has requested an updated list from the State.

ADJOURN

- ** COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**
- ** COMMISSIONER PARKINGTON SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:16 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District