

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Special Commission Meeting
June 25, 2018

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

STAFF: Kevin Barber, General Manager; Ron Scofield, Asst. General Mgr.;
Mike Adams, General Line Foreman

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

June 4, 2018 Regular Meeting

Commissioner Brown referenced page 3 of the Minutes where corrections from a past meeting were listed. He asked Mr. Barber if he had received a new list of properties that were being acquired by the State of CT for the Bridge Projects. Mr. Barber replied that as of today (6/25/18), he received a comment back from the State of CT that no full property acquisitions have been acquired. He also asked for an updated list which he is still waiting to receive.

Commissioner Brown referenced page 6, 4th paragraph, last sentence. He asked if Mr. Barber had recalculated the budget with the new PCA and CMEEC billable rate. Mr. Barber replied that the recent copy of the Budget that was sent to the Commission included these recalculations.

Correction to Minutes

Page 6 – 4th Paragraph, last sentence should read: The Commission requested that Mr. Barber go back and recalculate the budget with the new numbers and bring the budget back to the Commission.

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**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF JUNE 4, 2018 REGULAR MEETING AS AMENDED.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

REVIEW & APPROVAL OF 2018-19 ANNUAL OPERATING & CAPITAL BUDGETS

Mr. Barber stated that the Budget had two changes made to it since the last meeting of June 4, 2018. The PCA was lowered from \$0.023/kWh to \$0.013/kWh and results in a reduction in Total Operating Revenue of \$604,000. The second change was the CMEEC billable rate being reduced from \$90/MWh to \$80/MWh and results in a reduction in the Total Operating Expense of \$604,100. Mr. Barber also explained the impact of the changes to the Total Net Income and the Rate Stabilization Fund by making these changes.

Mr. Barber reviewed the 5-year impact of the change and recommends that the rates be reviewed again next year when creating the budget and make any recommendations at that time if warranted. Discussion took place around the timing of revisiting the rates and creating the budget. Commissioner Parkington suggested that the rates be reviewed prior to the budget. Mr. Barber reminded the Commission that the PCA and the Rate Stabilization Fund are monitored on a monthly basis. Commissioner Goldstein suggested April for review which is just prior to the budget review.

Mr. Barber asked if the Commission had any questions about the Capital Budget. He stated that the Rate of Return for the upcoming budget is 6.3%.

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE OPERATING BUDGET AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1, 2018 TO JUNE 30, 2019.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE CAPITAL BUDGET AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1, 2018 TO JUNE 30, 2019.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Barber stated now that the budget has been approved, he believes it would be appropriate for the Commission to formalize the rate changes by making a motion to do so.

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**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE RECOMMENDATION OF THE GENERAL MANAGER TO REDUCE THE CMEEC BILLABLE RATE FROM \$90/MWH TO \$80/MWH EFFECTIVE JULY 1, 2018.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE RECOMMENDATION OF THE GENERAL MANAGER TO REDUCE THE PURCHASE COST ADJUSTMENT (PCA) FROM \$0.023/KWH TO \$0.013/KWH EFFECTIVE JULY 1, 2018.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION OF A POSTING POLICY FOR RFP'S & EMPLOYMENT OPPORTUNITIES

Commissioner Goldstein stated that in the past there had been requests to have these items posted in the newsletter or on the website. She pointed out that she had discovered that when the First Taxing District posts in The Hour, it also gets posted to Monster. CMEEC, when they have a position available, posts on their website.

Mr. Barber brought up the fact that TTD is going to have an opening in the office next month. He said that the website does have a tab for careers and this would be an appropriate spot to place the employment opportunity. The ad should also be placed in The Hour and on Monster. As for the newsletter, he believes it would not work out due to the timing issue of when it is published and when ratepayers would receive their copy.

Email blasts were discussed and some of the Commissioners had different views on whether or not this avenue should be used for employment opportunities or RFP's.

The Commission requested that Mr. Barber continue the current practice in place for advertising for employment opportunities at TTD.

Discussion took place about RFP's and Mr. Barber pointed out that this was already documented under the Purchasing Policy and where it should be posted, i.e., local paper.

No further action was taken on this item.

CT DEEP CONSENT ORDER

Mr. Barber reviewed his memo to the Commission dated June 22, 2018 which explains the situation with CT DEEP. In 2016, TTD determined that they were in violation of three New Source Review (NSR) Permits for the three Norden generators. The violation was a for failure to

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conduct a five-year test on the stacks. TTD notified DEEP of this violation and DEEP issued TTD a Notice of Violation (NOV) on December 23, 2016. TTD subsequently completed the testing and notified DEEP. The testing results were accepted by the DEEP Commissioner on September 27, 2017.

It was TTD's belief that everything was fine until they recently received Consent Order #2495 from DEEP with a civil penalty in the amount of \$13,015. Mr. Barber was in communication with a representative (Robin Baena) from DEEP regarding the civil penalty to see what the basis was for the amount of the penalty. He was informed that the amount is what they determined as the cost of the testing. The penalty is to recover the economic benefit of the missed test.

Mr. Barber stated that after discussions with Mike Adams, General Line Foreman and TTD's consultant, it was determined that the testing of the engines would cost between \$12,000-15,000. With the testing of the generators would also come the risk of a failed test. A failed test would require immediate action to resolve the cause of the failure, including a retesting of the engine. The expense of retesting and risk of failure does not make the retest a viable option. The next testing date for the Norden generators is scheduled for February 2022.

Future plans for the Norden generators include the possible installation of CO2 Catalysts. This would allow TTD to meet higher emission standards and run the generators for a high number of hours. The installation of this system would also require the testing of the stacks and put them on a three-year rotation for testing vs. the current five-year rotation.

Discussion took place around the situation to weigh out the best decision to make. It was also mentioned that processes should be put in place to prohibit a situation like this to reoccur in the future.

At this time, it is Mr. Barber's recommendation to execute the consent order as is and pay the civil penalty.

**** COMMISSIONER BROWN MOVED TO HAVE THE GENERAL MANAGER, KEVIN BARBER, EXECUTE CONSENT ORDER #2495 AND PAY THE CIVIL PENALTY IN THE AMOUNT OF \$13,015.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

EAST NORWALK LIBRARY ROOF UPDATE

Mr. Barber informed the Commission that the new library roof is complete and it looks nice. TTD, in conjunction with Gill & Gill, is currently in discussion with the contractor regarding the add-on costs to the project.

The roof had two layers of asphalt shingles on top of the original wood shingles. The building also had what is called a Yankee gutter system. The add-ons are for the removal of the shingles,

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which were not part of the original bid spec, an extra dumpster, framing of the Yankee gutters and the installation of the wood sheathing on top.

At the April 16, 2018 Commission meeting, the Commission approved \$31,230 for the new roof, which included a base cost of \$21,600 plus any add-ons for sheathing and a potential for gutters. Currently, TTD and Gill & Gill are in discussions with the contractor regarding the add-ons.

There will be a request to the Commission for an allocation to cover the difference once the final amount is determined. Mr. Barber hopes to have this for the Commission at the July 2, 2018 meeting.

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES AND ADD AN AGENDA ITEM #7 EXECUTIVE SESSION WITH THE SUBJECT SECURITY THREAT.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

EXECUTIVE SESSION

- Security Threat

**** COMMISSIONER GOLDSTEIN MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS SECURITY THREAT.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Treasurer, General Manager, Assistant General Manager, Executive Assistant and CMEEC Ratepayer Representative entered into Executive Session at 8:33 p.m.

**** COMMISSIONER GOLDSTEIN MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Treasurer, General Manager, Assistant General Manager, Executive Assistant and CMEEC Ratepayer Representative returned to public session at 9:36 p.m.

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ADJOURN

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

The meeting adjourned at 9:37 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District