



Third Taxing District

2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271
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Third Taxing District of the City of Norwalk Special Commission Meeting

Monday, June 8, 2020 at 6:30p.m.

Meeting to be Held Via ZOOM and/or Phone Conference

ZOOM: Meeting ID – 956 8410 3862; PW – 670083 OR

Phone: 929-205-6099; ID: 956 8410 3862; PW 670083

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – May 18, 2020 Regular Meeting– A/R (Pgs. 1-6)
3. Review and Approval of 2020-21 Annual Operating & Capital Budgets (Special Binder Provided) – A/R (Pgs 7-10 + Special Binder)
4. Adjourn

*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, www.ttd.gov and will be available at the meeting.

M:\Shared\ Commission Meeting Information\Agenda 6-8-2020.doc

District Commissioners

Johnnie Mae Weldon	203-216-2652	Chairperson	Kevin Barber	203-866-9271	General Manager
Pamela Parkington	203-858-4261	Commissioner	Ron Scofield	203-866-9271	Assistant General Manager
Michele Sweeney	203-820-3107	Commissioner	Read Auerbach	203-451-7047	Treasurer

DRAFT

THIRD TAXING DISTRICT
of the City of Norwalk
Telephonic Commission Meeting
May 18, 2020

ATTENDANCE: Commissioners: Johnnie Mae Weldon, Chair; Michele Sweeney

STAFF: Kevin Barber, General Manager
Ron Scofield, District Clerk & Assistant General Manager

OTHERS: Peter Johnson, CMEEC Ratepayer Representative

The Commission Meeting of May 18, 2020 was held telephonically. All participants could hear and be heard.

CALL TO ORDER

Commissioner Weldon called the meeting to order at 6:30 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

NORWALK TREE ALLIANCE DONATION REQUEST

Mr. Barber presented the donation request in the amount of \$2,500 from the Norwalk Tree Alliance. This is the same amount that has been requested in the past. Also included with the request was a report indicating where the 12 twelve were planted within the District last year.

**** COMMISSIONER WELDON MOVED TO ACCEPT THE NORWALK TREE ALLIANCE DONATION REQUEST IN THE AMOUNT OF \$2,500 TO BE FUNDED OUT OF OTHER DISTRICT SERVICES IN THE DISTRICT BUDGET WHICH WILL BE AWARD AFTER JULY 1, 2020.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

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MINUTES OF MEETING

April 24, 2020 Special Meeting

**** COMMISSIONER SWEENEY MOVED TO APPROVE THE MINUTES OF APRIL 24, 2020 SPECIAL MEETING.**

**** COMMISSIONER WELDON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

April 27, 2020 Regular Meeting

**** COMMISSIONER WELDON MOVED TO APPROVE THE MINUTES OF APRIL 27, 2020 REGULAR MEETING.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights with the Commission for April 2020. Total Income is \$7,802,592 versus \$8,422,805 for last year, a difference of (7.36%). Total Expense is \$7,847,040 versus \$8,014,625 for last year, a difference of (2.09%). Net Income before Rate Stabilization is (\$30,265) versus \$1,031,281 from last year or a difference of (103%). Year-to-Date Net Income is (\$170,828) versus \$625,248 for last year, a difference of (127%).

Total cash balance on hand is \$5,967,715. Of this, the Capital Improvement Fund is \$2,123,137. Current outstanding principal balance with CMEEC is \$3,317,020. Current Fiscal Year Capital Additions to date is \$748,327.

Mr. Barber reviewed the P&L for the Operating account. Revenues are down which is associated with the mild winter the area experienced and the COVID-19 pandemic. Mr. Barber did point out that Residential Sales is over-budget which was expected with the shift of usage from commercial to residential users following the Stay at Home order. Commercial accounts are down 10%. Expenses for the month are in good shape for the month and for the year.

The P&L for the District account is on target.

KPI's: Mr. Barber reviewed the KPI's with the Commission and they remain consistent. He did point out that #3 Outstanding Receivables (greater than 90 days) is up slightly from the year before. The accounts that are 90 days or greater are not a result of the current pandemic. Both Mr. Barber and Mr. Scofield are tracking the receivables and are starting to see an increase in open receivables. The receivables are still in good shape at this time. As months pass, this could become a bigger issue.

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PCA: The current balance of the RSF (Rate Stabilization Fund) is \$3,839,328. At the end of the current fiscal year it is expected to be slightly less than the current amount, but over the next four years there is still an upward trend. By June 2024 the current projection will be in excess of \$5 million in the fund. This is due to CMEEC's rates doing so well and TTD paying less for their power.

NORWALK 2.0 LEASE

Mr. Barber said that as a follow-up to the last Commission meeting about Constitution Park and the State of Connecticut looking to obtain an access easement in order for them to conduct their mitigation of invasive species, one thing that came out of the discussion was that if the State of CT was given the easement, the Norwalk 2.0 trailers will be in the way. Staff reviewed the lease from Norwalk 2.0 and it was determined that the lease is set to expire on July 31, 2020.

It is the Commission's decision on how they would like to handle the situation. After discussion, the Commission believes the best thing to do would be to have the trailers removed from Constitution Park at the end of their lease.

**** COMMISSIONER WELDON MOVED THAT THE DISTRICT ALLOW THE NORWALK 2.0 LEASE TO EXPIRE WITH NO OPTION TO RENEW IT.
** COMMISSIONER SWEENEY SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

Staff will compose a letter to Norwalk 2.0 informing them of the Commission's decision to not renew their lease, give them 90 days to remove the trailers from Constitution Park and return the property to its original condition.

COVID-19 CUSTOMER RELIEF

Mr. Barber presented three Customer Relief Options to the Commission.

- Provide customers with a one-time credit to their account.
- Provide relief in the amount of one month of electric billing for free.
- Reduce Power Cost Adjustment (PCA) to \$0.00/kWh.

After reviewing the options, it is Mr. Barber's recommendation to reduce the PCA. This option provides the most equitable relief for all TTD customers. He is recommending to reduce the PCA for a three-month period (June, July and August). The estimated savings to the customers is approximately \$196,000, which could be paid for directly out of the Rate Stabilization Fund. This option could also be left in place for additional months to provide continued relief to the customers.

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In addition, at the same time TTD could also reduce the CMEEC billable rate. This would take money directly out of the Rate Stabilization Fund to pay for reducing the revenue. We would be reducing the revenue by approximately 8%, but also would reduce expenses by 8% and those funds would come directly out of the Rate Stabilization Fund. Mr. Barber is recommending this in addition to lowering the PCA to \$0.00/kWh. He would also recommend assessing the situation at the end of August to see if an extension would need to be made or return the PCA and billable rate back to what where they were. Mr. Barber believes that this option is the most effective and easiest adjustment to make.

The Commission discussed reducing the Power Cost Adjustment (PCA) and what benefits it will bring to both the customers and TTD.

**** COMMISSIONER WELDON MOVED TO APPROVE THE REDUCTION OF THE POWER COST ADJUSTMENT (PCA) FROM \$0.013/kWh TO \$0.0/kWh, WHILE ALSO REDUCING THE CMEEC BILLABLE RATE ACCORDINGLY TO OFFSET THE REDUCTION IN REVENUE.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Barber explained to the Commission other assistance programs he recommends be provided to the customers during this time. At the April 24, 2020 meeting the Commission approved both options that were listed under the Governor's Executive Order. One of them was to defer payment of electric bills for a period of three months. The Application for Municipal/Quasi-Municipal Tax Relief Deferral Program would need to be filled out by customers in order to apply for this deferment.

In addition to the deferment, TTD will be allowing customers to enter a payment plan that would provide them with the ability to pay the outstanding balances over a period of time. The payment plan would be available to not only eligible customers, but to all customers who are having difficulty in paying their electric bills. The standard payback would not exceed six months. Customers that require arrangements that exceed six months will require the approval of the Assistant General Manager or the General Manager.

TTD staff will be monitoring the payment arrangements on a regular basis and will provide updates to the Commission as needed. Staff will also determine if adjustments to the program are required or additional relief will be necessary.

TTD has a potential option for commercial accounts. There is an Economic Development Fund held at CMEEC. The use of these funds is for dire need. Mr. Barber will speak to the appropriate staff at CMEEC and report back to the Commission whether or not this would be a feasible option for commercial accounts.

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GENERAL MANAGER'S REPORT

Constitution Park

Mr. Barber received a formal offer from the State of Connecticut for the requested easement at Constitution Park. He will be asking TTD's attorney to review the offer. Once reviewed, Mr. Barber will bring it back to the Commission at a future meeting.

Fiscal Year 2020-21 Operating and Capital Budgets

Staff is currently working on finalizing the budgets. Mr. Barber requested a Special Commission Meeting for Monday, June 8, 2020 to present the budgets to the Commission for their review and approval. Commissioners Weldon and Sweeney are available. Mr. Barber will reach out to Commissioner Parkington to see if she is available as well.

ADJOURNMENT

**** COMMISSIONER SWEENEY MOVED TO ADJOURN.**

**** COMMISSIONER WELDON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:40 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

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May 18, 2020

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.



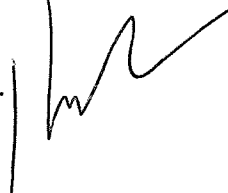
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2 Second Street
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Tel: (203) 866-9271
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Memorandum

To: TTD Commissioners

From: Kevin Barber – General Manager 

Date: May 29, 2020

Subject: Fiscal Year 2020-2021 Operating and Capital Budgets

Enclosed please find the draft Operating and Capital Budgets for the Third Taxing District Electric Department for the fiscal year 2020-2021. The draft budget is being provided to you in advance of the June 8th Commission Meeting to provide you with an opportunity to review the budget and ask any questions that you may have.

The format of the budget is the same as last year, with the intent of providing you a clear understanding of the financial picture of the Electric Department as a result of the budget. This budget has been developed using a “status quo” approach relating to the cost of power (CMEEC billable rate) and the power cost adjustment (PCA). I will be reviewing the budget and the inputs used in the budget at the June 8th Commission Meeting. Based on the discussion, changes can be made to the budget.

The format of the budget is broken down into the following five categories:

- **Operating Budget:** This section contains the Summary Operating Budget that combines the Operating and Capital budgets to provide you with an understanding if we can “afford” this budget. This section also contains a detailed budget comparison with the previous year’s budget and supporting documents for the calculation of the revenue and purchased power components of the budget.
- **Capital Budget:** This section lists the projects being presented for approval for the current fiscal year.
- **Capital Projects:** This section provides the detailed project worksheets for each project presented for approval.

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- **Five Year Operating Budget Forecast:** The five-year forecast presents our forecast of the Electric Department's budget for the periods 2020-2021 through 2024-2025. This forecast presents the financial position of the Electric Department for the next five years based on the information currently available.
- **Five Year Capital Budget:** The five-year capital budget provides a picture of the capital projects that have been scheduled for the next five years.

Please review the draft budget and let me know if you have any questions or comments. I would be happy to meet individually to review the budget in detail and address any questions or concerns that you may have.

**SEE BUDGET
BINDER**

**** COMMISSIONER _____ MOVED TO APPROVE THE OPERATING
BUDGET AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1,
2020 TO JUNE 30, 2021.**

**** COMMISSIONER _____ SECONDED.**

**** COMMISSIONER _____ MOVED TO APPROVE THE CAPITAL
BUDGET AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1,
2020 TO JUNE 30, 2021.**

**** COMMISSIONER _____ SECONDED.**