

DRAFT

THIRD TAXING DISTRICT
of the City of Norwalk
ZOOM/Telephonic Commission Meeting
July 27, 2020

ATTENDANCE: Commissioners: Johnnie Mae Weldon, Chair; Michele Sweeney, Pamela Parkington; Read Auerbach, Treasurer

STAFF: Kevin Barber, General Manager

OTHERS: Peter Johnson, CMEEC Ratepayer Representative

The Commission Meeting of July 27, 2020 was held via ZOOM and telephonically. All participants could hear and be heard.

CALL TO ORDER

Commissioner Weldon called the meeting to order at 6:36 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

MINUTES OF MEETING

June 22, 2020 Regular Meeting

- ** COMMISSIONER SWEENEY MOVED TO APPROVE THE MINUTES OF JUNE 22, 2020 REGULAR MEETING.**
- ** COMMISSIONER PARKINGTON SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights with the Commission for the unaudited year-end of 2020. Total Income is \$9,492,701 versus \$10,267,887 for last year, a difference of (7.55%). Total Expense is \$9,326,369 versus \$9,631,537 for last year, a difference of (3.17%). Net

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Income before Rate Stabilization is \$493,841 versus \$1,527,221 from last year or a difference of (68%). Year-to-Date Net Income is \$196,756 versus \$1,025,510 for last year, a difference of (81%). Mr. Barber did point out that these numbers do reflect an impact from the COVID-19 pandemic.

Total cash balance on hand is \$6,551,514. Of this, the Capital Improvement Fund is \$2,352,386. Current outstanding principal balance with CMEEC is \$3,270,529. Current Fiscal Year Capital Additions to date is \$773,556.

Mr. Barber reviewed the P&L for the Electric Department. On the income side, most all categories are under budget with exception of the Cervalis Data Center, which has increased its usage. The PCA Income is showing zero for the month of June per the Commission's decision to provide some level of rate relief to the customers.

The P&L for the District is under budget for the fiscal year on a whole, but the Cemetery expenses are over-budget due to the unexpected tree damage that occurred during the year.

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 at \$47,775 which is a small increase over last month. This is directly related to the COVID-19 pandemic. He believes there is no danger at this time, but he and Mr. Scofield will continue to monitor the situation.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$3,733,606 and is in a slight downward trend through the next year and then will begin an upward trend. With the reduction of the PCA to zero to assist TTD's customers during the pandemic, the CMEEC billable rate was adjusted to \$67/megawatt.

CMEEC EQUITY DISTRIBUTION

Mr. Barber informed the Commission that on Thursday, July 23, 2020, the CMEEC Member Delegation voted unanimously to distribute the 2019 Distribution Eligible Equity to the member utilities. The 2019 total equity distribution for Third Taxing District is \$362,951.

Mr. Barber presented five options to the Commission for the distribution of the eligible equity:

- Leave all or part of distribution in Equity
- Apply all or part to the Municipal Trust
- Apply all or part to the Rate Stabilization Fund
- Apply all or part as an offset to a CMEEC power bill invoice
- All or part as a direct cash payment

After reviewing the options with the Commission, it is Mr. Barber's recommendation to receive the full distribution of equity available to TTD and deposit the entire amount in TTD's Rate

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Stabilization Fund held at CMEEC. This would provide TTD with the ability to continue providing the reduced Power Cost Adjustment (PCA) to the customers during these difficult times, should the Commission decide this is an appropriate use of the funds.

**** COMMISSIONER SWEENEY MOVED TO DIRECT KEVIN BARBER, GENERAL MANAGER, TO TAKE THE GROSS CMEEC EQUITY DISTRIBUTION IN THE AMOUNT OF \$362,951 AND DEPOSIT IT INTO THIRD TAXING DISTRICT'S RATE STABILIZATION FUND HELD AT CMEEC.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

COVID-19 UPDATE

Mr. Barber updated the Commission on where the office stands right now. The office and field are all back to work full-time. The front office (3 employees) have had plexiglass installed between the cubicles. The lobby remains closed to the public until such time as the security window is installed.

PCA: The reduction of the PCA to zero for the month of June yielded approximately \$50,000 in savings for the customers. Mr. Barber noted that customers have been thanking TTD and the Commission for the rate relief.

Accounts Receivable: Overall, the receivables are in good shape. The month of June has increased, but not to the point of major concern.

Shut-Off Moratoriums: TTD has received notification from PURA that the non-hardship residential moratorium will end on September 9, 2020 and for the hardship customers the end date is October 31, 2020. The commercial moratorium will end on August 1, 2020.

TTD will start reviewing the commercial accounts during the month of August and start the process of shut-offs if need be. There is one commercial account that has been severely impacted by the situation and TTD has been working with them to develop a payment plan that is suitable for both parties.

Mr. Barber proposed to the Commission a payment arrangement concept for the commercial customers. It is similar to the Person-to-Person program that is used for residential customers. The idea would be if the customer is able to keep up with their payment arrangement, TTD would give them a one month credit on their account. Funds for this program could be taken from the Economic Development Fund held at CMEEC. The Commission liked the concept of the program for the commercial customers. Mr. Barber will work on developing an actual plan and present it to the Commission for their approval.

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GENERAL MANAGER'S REPORT

Outages Update

July 10, 2020 wind storm caused a tree limb to hit a wire on Triangle Street, which caused a tap to come in contact with the transformer causing the circuit to trip. 700 customers were affected by the outage. The power was restored in 62 minutes.

July 20, 2020 – The new T3 transformer's settings on a relay caused the transformer to open up (shut down) and caused an outage, which affected approximately 1,500 customers. Staff was on-site monitoring the transformer because they had seen some high targets and alarms that were appearing in the SCADA system. The power was restored in 15 minutes. Mike Adams is working with TTD's engineering firm on the settings of this relay to determine what happened.

Audit: Work on the audit has begun.

Banking: Mr. Barber informed the Commission that they need to sign new signature cards for the bank. The Commissioners will call the office to make arrangements to come in and sign the cards.

ADJOURNMENT

**** COMMISSIONER PARKINGTON MOVED TO ADJOURN.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:30 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District