

FINAL

THIRD TAXING DISTRICT
of the City of Norwalk
Special Commission Meeting
June 6, 2022

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

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

OTHERS: Peter Johnson, CMEEC Ratepayer Representative

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.

ENGAGEMENT LETTER – FYE 6/30/22 AUDIT

Mr. Barber presented the Engagement Letter from Hope & Hernandez for the FYE June 30, 2022. The cost for this year's audit is \$23,675, which is up \$700 from last year. Mr. Barber recommended that Third Taxing District engage them again for this year's audit.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE KEVIN BARBER, GENERAL MANAGER, TO ENGAGE HOPE & HERNANDEZ TO PERFORM THE AUDIT FOR THIRD TAXING DISTRICT FOR FYE JUNE 30, 2022 FOR A COST NOT TO EXCEED \$23,675.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

PATRIOT BANK – LINE OF CREDIT RENEWAL

In July 2013, Third Taxing District established a line of credit (LOC) with Patriot Bank in the amount of \$500,000 for the purpose of having access to funds during the construction of the

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Fitch Street Substation and Cervalis projects. The LOC has been renewed multiple times with the last renewal having an expiration date of April 1, 2022.

Mr. Barber is recommending the Commission approve the renewal of the line of credit in the amount of \$500,000 with Patriot Bank. This will provide Third Taxing District with access to funds in case of extenuating or emergency situations.

**** COMMISSIONER SWEENEY MOVED TO AUTHORIZE KEVIN BARBER, GENERAL MANAGER OF THE THIRD TAXIND DISTRICT, TO RENEW FOR AND ON BEHALF OF THE THIRD TAXING DISTRICT THE LINE OF CREDIT WITH PATRIOT BANK IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000) ON THE TERMS SET OUT IN THE LOAN DOCUMENTS PREPARED BY PATRIOT BANK AND FURTHER REQUIRE KEVIN BARBER, BEFORE ACCESSING ANY FUNDS FROM THE LINE OF CREDIT, MUST RECEIVE AUTHORIZATION FROM THE DISTRICT COMMISSION AT A DULY CONVENED COMMISSION MEETING.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

REVIEW & APPROVAL OF 2022-23 ANNUAL OPERATING & CAPITAL BUDGETS

Mr. Barber presented the 2022-23 Annual Operating & Capital Budgets to the Commission. He informed the Commission that the budgets were created based on a higher CMEEC Billable Rate and PCA (Power Cost Adjustment) in order to keep the RSF's (Rate Stabilization Fund) balance above or on target.

Highlights of the budgets include:

Operating:

- Cervalis Data Center Revenues – up 113% due to the increase in the cost of power and usage
- Sales – slight decrease across the board
- PCA (Power Cost Adjustment) – increase of \$1,887,621 (487.78%) based on the new PCA rate of \$0.04/kWh
- Purchased Power – an increase of \$2,797,388 (58.73%), which now includes Cervalis and takes into consideration CMEEC's forecast
- Net Ordinary Income – (\$550,033) which is based off of CMEEC's hedging forecast
- Norden Project Income – Decrease of \$84,896 due to the decrease in the ISO capacity market
- Distribution to "District Fund" – an increase of \$115,000 based on the District Budget that was approved in March 2022

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- Health and Life Insurance (926-20) - decreased by \$15,000 due to the new State Partnership Plan that TTD switched to.
- Pension Contributions (926-10) - increased by \$19,400 based on actuarial calculations provided by Hooker & Holcombe

Capital Projects:

The request for Capital projects is \$1,256,500 for the upcoming year and a carryover of \$411,783 from the current year for a total of \$1,668,283.

Mr. Barber went through the capital projects, most of which are standard from year to year, i.e., poles, transformers, meters, furniture/equipment, etc. Mr. Barber specifically pointed out the cost of transformers for this year has tripled. The cost of transformers has increased substantially and the lead time to obtain them is up to one year. Therefore, TTD feels it prudent to purchase them now and have them in stock when needed.

Oil Circuit Breakers: Mr. Barber believes that there are three more to be replaced. They will all be ordered now and stored for use when needed over the next two years.

Company Vehicles: Both the General Line Foreman's truck and the General Manager's vehicle will need to be replaced over the coming year.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE OPERATING AND CAPITAL BUDGETS AS PRESENTED TO THE COMMISSION FOR THE FISCAL YEAR JULY 1, 2022 TO JUNE 30, 2023.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

CMEEC BILLABLE RATE & PCA ADJUSTMENT

As a follow-up to the 2022-23 Operating and Capital Budgets presentations, Mr. Barber is recommending the following changes be made effective July 1, 2022.

- Increase the CMEEC Billable Rate from \$80.00/MWh to \$110.00/MWh – This is necessary to control the impact of increases in the cost of electric generation on Third Taxing District's Rate Stabilization Fund (RSF) held at CMEEC.
- Increase the Power Cost Adjustment (PCA) from \$0.0065/kWh to \$0.04/kWh – This is necessary to offset the impact of the CMEEC Billable Rate change.

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**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE INCREASE IN THE POWER COST ADJUSTMENT (PCA) FROM \$0.0065/KWh TO \$0.04/KWh AND TO INCREASE THE CMEEC BILLABLE RATE FROM \$80.00/MWh TO \$110.00/MWh, PER THE RECOMMENDATION OF THE GENERAL MANAGER, KEVIN BARBER EFFECTIVE JULY 1, 2022.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

EXECUTIVE SESSION

- Collective Bargaining and CMEEC Long-Term Purchase Power Agreement Project Participation

**** COMMISSIONER PARKINGTON MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS COLLECTIVE BARGAINING AND CMEEC LONG-TERM PURCHASE POWER AGREEMENT PROJECT PARTICIPATION.**

**** COMMISSIONER SWEENEY SECONDED.**

The Commissioners, Treasurer, and Messrs. Barber and Scofield entered into Executive Session at 7:15 p.m.

The Commissioners, Treasurer, and Messrs. Barber and Scofield returned to public session at 7:32 p.m.

COLLECTIVE BARGAINING

**** COMMISSIONER SWEENEY MOVED TO RATIFY THE TENTATIVE COLLECTIVE BARGAINING AGREEMENT AS PRESENTED BETWEEN THE THIRD TAXING DISTRICT AND LOCAL 1303-364 OF CONNECTICUT COUNCIL 4, AFSCME, AFL-CIO DATED MAY 20, 2022.**

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

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**CMEEC LONG-TERM PURCHASE POWER AGREEMENT PROJECT
PARTICIPATION**

**** COMMISSIONER PARKINGTON MOVED TO AUTHORIZE GENERAL MANAGER, KEVIN BARBER, IN HIS POSITION AS THIRD TAXING DISTRICT'S MEMBER DELEGATE TO THE CMEEC MEMBER DELEGATION, FOR THIRD TAXING DISTRICT TO FULLY PARTICIPATE IN CMEEC'S NEW LONG-TERM PURCHASE POWER AGREEMENT, AS DISCUSSED IN EXECUTIVE SESSION DURING THIS MEETING.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

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

**** COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:34: p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District