



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 Commission Meeting

Monday, August 22, 2022 at 6:30p.m.

At the Third Taxing District Office, 2 Second Street, East Norwalk, CT

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – July 25, 2022 Regular Meeting – A/R (Pgs. 1-4)
3. Discussion/Analysis of Financial Statements/Key Performance Indicators (Pgs. 5-11)
4. General Manager's Report
5. Executive Session (Pg. 12)
 - Real Estate – 213 East Avenue – CGS-1-200(6)(B) and CGS1-200(6)(D)
6. 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 8-22-2022.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
Commission Meeting
July 25, 2022

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

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

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.

MINUTES OF MEETING

May 23, 2022 Regular Meeting

**** COMMISSIONER SWEENEY MOVED TO APPROVE THE MINUTES OF MAY 23, 2022 REGULAR MEETING.**

****COMMISSIONER PARKINGTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

June 6, 2022 Special Meeting

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF JUNE 6, 2022 SPECIAL MEETING.**

****COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Third Taxing District
of the City of Norwalk
July 25, 2022

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Barber reviewed the Financial Highlights with the Commission for the fiscal year 2022. All numbers are preliminary and can change once the audit is complete. Total Income is \$10,122,168 versus \$9,368,210 for last year, a difference of 8.05%. Total Expense is \$10,115,758 versus \$9,163,202 for last year, a difference of 10.4%. Net Income before Rate Stabilization is (\$99,318) versus \$859,037 from last year or a difference of (112%). Net Income after Rate Stabilization is (\$742,675) versus \$323,638 for last year, a difference of (329%).

Total cash balance on hand is \$7,868,928. Of this, the Capital Improvement Fund is \$2,374,803. Current outstanding principal balance with CMEEC is \$3,504,109. Current Fiscal Year Capital additions to date is \$383,058.

Mr. Barber reviewed the P&L for the Electric Department. Income for the month of June 2022 is \$1,214,828.80 which is \$23,046.80 over budget. Purchased Power (555-00) for the month of June 2022 is \$465,526.84 and over budget by \$75,612.84 for the month. Operating Expenses for the month is \$377,369.00, which is \$128,300.31 under budget.

The P&L for the District continues to be in good shape. Parks Maintenance is over budget due to the seawall repair and the Cemetery budget is over due to unexpected tree removal.

KPI's: They remain in good shape.

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$3,775,321. Mr. Barber reviewed the 5-Year Forecast with the Commission. The graph presented includes the RSF balance and power costs from the month of May 2022 and will include May 2022 moving forward in order to get a better handle change in the RSF and power cost forecast over time.

Accounts Receivable: Overall, TTD is doing very well. The greater than 90 days open balances is \$42,814 which is 8.9% of the overall balance.

PENSION COMMITTEE REPORT

The TTD Pension Committee met with Hooker & Holcombe on July 19, 2022 to review Third Taxing District's account. Considering all the uncertainty in the market, TTD's portfolio is doing better than most because of the diversification. The next meeting will be held on November 15, 2022.

TTD PARKS UPDATE

Edgewater Park – Mr. Barber informed the Commission that the bushes in the park were removed and replaced with a white picket fence. He also informed the Commission that the repair to the seawall is scheduled to begin in the Fall.

Third Taxing District
of the City of Norwalk
July 25, 2022

DRAFT

Ludlow Park – Messrs. Barber and Scofield met with Allan Broadbent, Landscape Architect, about working with Third Taxing District on a redesign the park and possible new location for the Christmas tree. Commissioner Parkington showed an interest in the project and would like to be included. The next meeting with Mr. Broadbent is scheduled for July 27, 2022.

213 EAST AVENUE UPDATE

Mr. Barber informed the Commission that he received word from the State of Connecticut that they are rescinding their offer to acquire a portion of the property. The original offer became too complicated with all the easements that would be needed for Third Taxing District. Instead, the State would like to start the appraisal process over and instead obtain a permanent easement from Third Taxing District for the property.

GENERAL MANAGER'S EPORT

Union Contract – The Union Contract has been finalized, signed and is being distributed to employees.

Norden Generators – ISO New England requested the use of the generators on Sunday, July 24, 2022 for three hours.

Second Street Office Building – Mr. Barber informed the Commission that the bushes alongside the white rail were removed and replaced with flowers, as well as having the concrete curbing being redone in the same area.

ADJOURNMENT

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

The meeting adjourned at 7:14: p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
July 25, 2022

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.

**Third Taxing District
Financial Highlights
Jul-2022 vs. Jul-2021**

	Jul-22	Jul-20	\$ Change	% Change
Total Income	504,348	496,037	8,311	1.68%
Total Expense	1,172,886	857,284	315,602	36.81%
Net Ordinary Income	(668,538)	(361,247)	(307,292)	-85%
Other Income	105,513	51,206	54,307	106%
Other Expense	98,750	70,000	28,750	100%
Net Income before Rate Stabilization	(661,775)	(380,041)	(281,735)	-74%
Rate Stabilization	167,915	1,252	166,663	13309%
Net Income	(493,860)	(378,788)	(115,072)	-30%

CASH BALANCES

	Jul-22
ACCTS	
Operating Accounts	\$ 2,030,222
Savings	3,319,343
Capital Improvements Fund	2,454,636
Total	\$ 7,804,202

TTD Outstanding Principal Balance with CMEEC

Balance as of July 1, 2020	\$ 3,270,529
Current Balance	\$ 3,504,109
Current Fiscal Year Capital Additions to date	\$ 2,163

**Third Taxing District
Profit & Loss Budget vs. Actual
July 2022**

	Jul 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	0.00	0.00	0.00	0.0%
440-00 · Residential Sales	120,168.99	185,982.00	-65,813.01	-35.39%
442-01 · Large Commercial Sales	33,345.74	44,424.00	-11,078.26	-24.94%
442-02 · Small Commercial Sales	111,299.52	149,812.00	-38,512.48	-25.71%
445-01 · Water Pollutn Contrl Pint Sales	38,860.43	57,982.00	-19,121.57	-32.98%
445-02 · Flat Rate	260.03	2,887.00	-2,626.97	-90.99%
451-00 · Miscellaneous Service Revenue	970.00	830.00	140.00	16.87%
557-00 · Purchased Power Adjustment	199,443.76	245,216.00	-45,772.24	-18.67%
Total Income	504,348.47	687,133.00	-182,784.53	-26.6%
Cost of Goods Sold				
555-10 · Electrical Power Purch - Cerv	80,268.49	78,418.00	-1,850.49	-2.36%
555-00 · Electrical Power Purchased	730,199.19	714,348.00	-15,851.19	-2.22%
Total COGS	810,467.68	792,766.00	-17,701.68	-2.23%
Gross Profit	-306,119.21	-105,633.00	-200,486.21	-189.8%
Expense				
904-00 · Substation	16,052.96	16,007.93	-45.03	-0.28%
403-00 · Depreciation Expense	64,587.47	70,833.34	6,245.87	8.82%
408-00 · Taxes	1,268.31	1,108.00	-160.31	-14.47%
540-00 · Other Power Generation Expense	8,152.16	11,500.00	3,347.84	29.11%
580-00 · Distribution Expenses	13,207.23	20,166.66	6,959.43	34.51%
590-00 · Maintenance Expenses	44,367.15	51,904.16	7,537.01	14.52%
900-00 · Customer Accounts & Service	30,066.45	41,341.66	11,275.21	27.27%
920-00 · Administrative Expenses	184,717.03	206,969.98	22,252.95	10.75%
Total Expense	362,418.76	419,831.73	57,412.97	13.68%
Net Ordinary Income	-668,537.97	-525,464.73	-143,073.24	-27.23%
Other Income/Expense				
Other Income				
418-00 · Dividends	6,790.95	5,666.66	1,124.29	19.84%
419-00 · Interest Income	425.00	416.66	8.34	2.0%
420-00 · Gain/(Loss) on Investments	73,042.13	0.00	73,042.13	100.0%
421-00 · Norden Project Income	20,350.00	20,833.34	-483.34	-2.32%
423-00 · Gain/(Loss) from Sale of FA	0.00	416.66	-416.66	-100.0%
424-00 · Energy Conservation Fund Income	4,904.80	9,583.34	-4,678.54	-48.82%
425-00 · Miscellaneous Income	0.00	1,250.00	-1,250.00	-100.0%
Total Other Income	105,512.88	38,166.66	67,346.22	176.45%
Other Expense				
426-30 · PERSON TO PERSON	0.00	0.00	0.00	0.0%
426-10 · Distribution to "District Fund"	98,750.00	98,750.00	0.00	0.0%
Total Other Expense	98,750.00	98,750.00	0.00	0.0%
Net Other Income	6,762.88	-60,583.34	67,346.22	111.16%
Net Income	-661,775.09	-586,048.07	-75,727.02	-12.92%

TTD District Fund
Profit & Loss Budget vs. Actual
July 2022

	<u>Jul 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
980-02 · INTEREST INCOME	14.75	27.12	-12.37	-45.61%
980-05 · FIRE HOUSE RENT	0.00	0.00	0.00	0.0%
980-10 · FUNDING FROM ELECTRIC	98,750.00	98,750.00	0.00	0.0%
Total Income	<u>98,764.75</u>	<u>98,777.12</u>	<u>-12.37</u>	<u>-0.01%</u>
Expense				
980-12 · FEES- COMISSIONERS	0.00	0.00	0.00	0.0%
980-14 · FEES-CLERKS	0.00	0.00	0.00	0.0%
980-16 · FEES-TREASURER	0.00	0.00	0.00	0.0%
980-17 · Fees - Rate Payer Rep	0.00	0.00	0.00	0.0%
980-19 · PAYROLL EXPENSES	0.00	0.00	0.00	0.0%
980-20 · PARKS MAINTENANCE	359.29	2,666.74	2,307.45	86.53%
980-30 · EAST NORWALK CEMETERY ASS'N	750.00	2,291.63	1,541.63	67.27%
980-35 · EAST NORWALK IMP ASSOC LIBRARY				
980-36 · Electric Funding-Library Match	0.00	916.74	916.74	100.0%
980-38 · LIBRARY PROPERTY MAINTENANCE	510.09	750.00	239.91	31.99%
980-35 · EAST NORWALK IMP ASSOC LIBRARY - Other	42,500.00	42,500.00	0.00	0.0%
Total 980-35 · EAST NORWALK IMP ASSOC LIBRARY	<u>43,010.09</u>	<u>44,166.74</u>	<u>1,156.65</u>	<u>2.62%</u>
980-40 · CHRISTMAS TREE LIGHTING	0.00	0.00	0.00	0.0%
980-45 · FIREHOUSE EXPENSES	0.00	125.00	125.00	100.0%
980-55 · CONCERTS IN THE PARK	12,970.00	17,575.00	4,605.00	26.2%
980-70 · ANNUAL MEETING EXPENSES	0.00	0.00	0.00	0.0%
980-90 · CONTINGENCY EXPENSES	0.00	2,500.00	2,500.00	100.0%
980-95 · Other District Services	8,000.00	833.26	-7,166.74	-860.08%
Total Expense	<u>65,089.38</u>	<u>70,158.37</u>	<u>5,068.99</u>	<u>7.23%</u>
Net Ordinary Income	<u>33,675.37</u>	<u>28,618.75</u>	<u>5,056.62</u>	<u>17.67%</u>
Net Income	<u><u>33,675.37</u></u>	<u><u>28,618.75</u></u>	<u><u>5,056.62</u></u>	<u><u>17.67%</u></u>

**THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)
July**

	Formula	2022	2021	Industry Average (Bandwidth)	Comments	
1) OPERATING RATIO - This ratio measures the proportion of revenues required to cover the operation and maintenance costs associated with the operation of the electric utility.						
a.	Operating Ratio - without Change in Rate Stabilization Fund	Total Operating Expenses / Total Operating Revenues	232.55%	172.83%	95-105%	Calculation is based on the CMEEC billable rate that is set by TTD
b.	Operating Ratio - with Change in Rate Stabilization Fund	Total Operating Expenses + Change in RSF / Total Operating Revenues	199.26%	172.57%	95-105%	Reflects the true total operating expenses by including the change (+/-) in the rate stabilization fund.
2) POWER SUPPLY EXPENSE RATIO - This ratio measures the proportion of the total operating expenses that is for power supply (purchased power)						
2) a.	Power Supply Expense Ratio - without Change in Rate Stabilization Fund	Purchased Power / Total Operating Expenses	69.10%	62.73%	65% - 70%	Calculation is based on the CMEEC billable rate that is set by TTD
b.	Power Supply Expense Ratio - with Change in Rate Stabilization Fund	Purchased Power + Change in RSF / Total Operating Expenses	54.78%	62.58%	65% - 70%	Reflects the true total operating expenses by including the change (+/-) in the rate stabilization fund.
3) OUTSTANDING RECEIVABLES - Total amount of outstanding receivables greater than 90 days past due						
a.	Outstanding Receivables - Dollars	Total (\$) Outstanding Receivables > 90 days	\$41,547	\$67,581		Indicates if TTD is doing an adequate job of collecting past due receivables
b.	Percentage of total receivables	Receivables > 90 days past due / total receivables	7.33%	8.60%		Indicates the percentage of receivables that is greater than 90 days past due
4) RATE OF RETURN - Year to Date (YTD) Net income divided by audited Net Book Value of Assets						
	Actual Rate of Return on Rate Base	AUTHORIZED BY STATE STATUTE	0.0%	0.0%	Varies by state 5 - 8 %	Rate of Return authorized by State statute
5) RATE STABILIZATION FUND - this index lists the balance of the rate stabilization fund held for TTD at CMEEC						
	Rate Stabilization Fund balance	RSF Balance	\$3,874,697	\$3,978,803	\$2.75MM - \$3.0MM	Commission approved the target balance, which is based on a RSF balance to cover 6 months of power bills
7) ENERGY LOSS % - This ratio measures how much energy is lost in the utility's electrical system and is an indicator of the efficiency of the electrical system.						
	Energy Loss %	Total Energy Loses/Total Sources of Energy	7.78%	4.67%	2.5% - 6%	This ratio is calculated on a 12 month rolling average of electricity purchased compared to energy sold to customers

East Norwalk - PCA Calculation
 Power Cost Adjustment Calculation
 6 Month Rolling Average (starting January 2014)

Yellow indicates Forecast

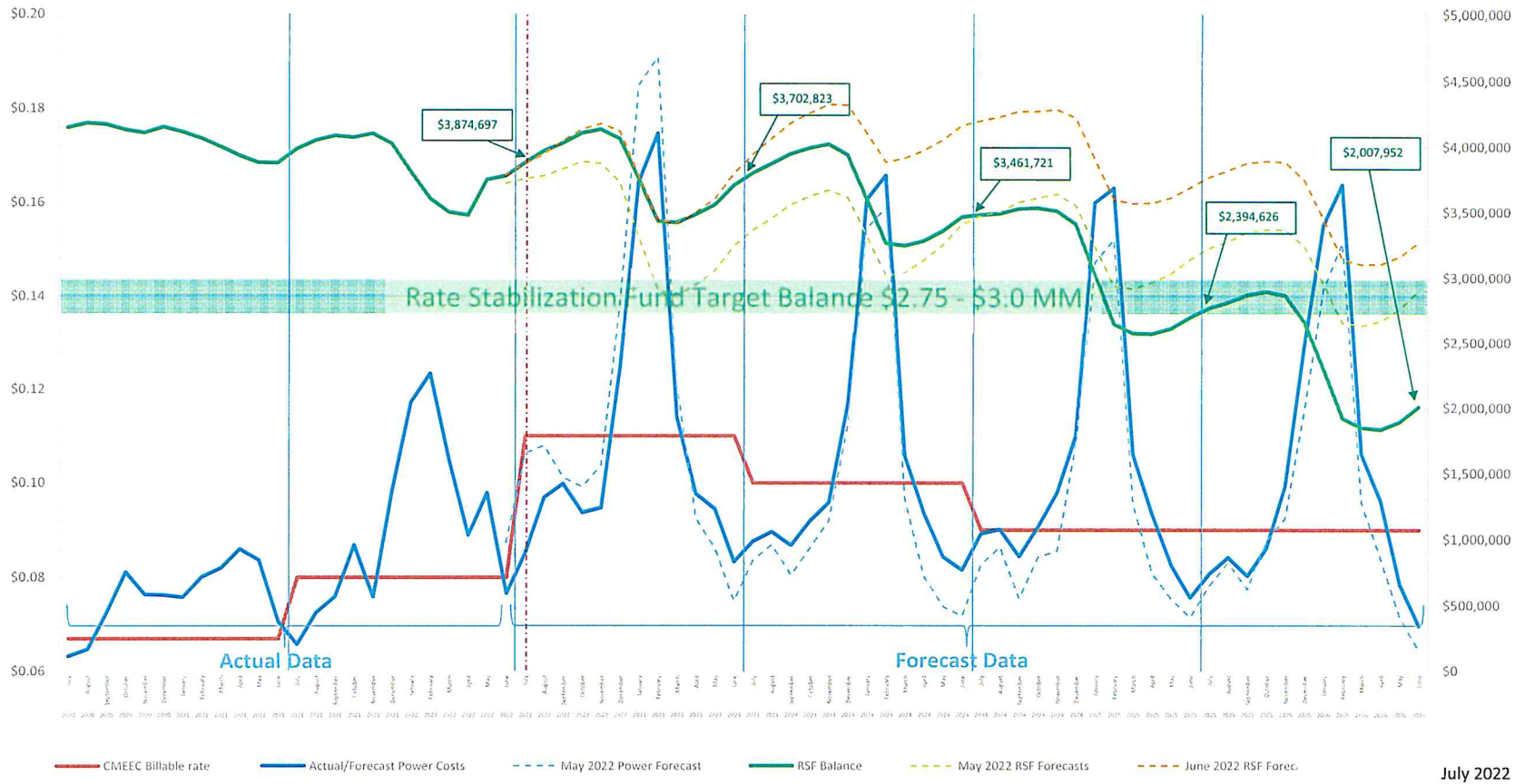
Orange indicates data is from the preliminary CMEEC monthly bill, numbers will change when the "true up" numbers are available from CMEEC

Green indicates the final numbers have been entered for the month.

Colors will change when actual numbers are received.

		2022 July	2022 August	2022 September	2022 October	2022 November	2022 December	2023 January	2023 February	2023 March	2023 April	2023 May	2023 June
Total Energy	kWh												
CMEEC Billable rate	\$/kWh	0.11000	0.11000	0.11000	0.11000	0.11000	0.11000	0.11000	0.11000	0.11000	0.11000	0.11000	0.11000
h Grand Total (Actual) Purchased Power Costs	\$	\$ 574,772	\$ 585,032	\$ 483,465	\$ 383,485	\$ 413,999	\$ 671,221	\$ 941,536	\$ 917,945	\$ 573,102	\$ 402,660	\$ 399,654	\$ 428,850
i (Sum of current and previous 5 months)	\$	2,878,842	2,847,303	2,825,627	2,840,700	2,824,391	3,111,973	3,478,738	3,811,651	3,901,288	3,920,463	3,906,118	3,663,747
j kWh's Purchased	kWh												
l Total Purchased Power kWh Units	kWh	6,751,693	6,039,350	4,846,767	4,095,751	4,374,458	5,385,710	5,726,410	5,254,107	5,030,741	4,123,924	4,234,520	5,152,589
m (Sum of current and previous 5 months)	kWh	30,136,125	31,176,929	31,200,886	31,148,320	31,122,906	31,493,729	30,468,446	29,683,204	29,867,179	29,895,351	29,755,412	29,522,292
Actual/Forecast Power Costs	\$/kWh	0.08513	0.09687	0.09975	0.09363	0.09464	0.12463	0.16442	0.17471	0.11392	0.09764	0.09438	0.08323
n Power (Actual) Supply Costs @ Retail	\$	0.1009	0.0964	0.0956	0.0963	0.0958	0.1043	0.1206	0.1356	0.1379	0.1385	0.1386	0.1311
o Base Fuel Cost	\$	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958
p Loss Factor	%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
q Calculated PCA	\$	0.0051	0.0006	(0.0002)	0.0005	0.0000	0.0085	0.0248	0.0398	0.0421	0.0427	0.0428	0.0353
r Actual PCA Implemented	\$	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400	\$ 0.0400
s Total System Retail Sales (kWh's)	kWh	5,021,169	5,701,146	4,575,348	3,866,389	4,129,489	5,084,110	5,405,731	4,959,877	4,749,020	3,892,984	3,997,387	4,864,044
t Base PCA Revenue	\$	481,028	546,170	438,318	370,400	395,605	487,058	517,869	475,156	454,956	372,948	382,950	465,975
u Fuel Factor Revenue	\$	200,847	228,046	183,014	154,656	165,180	203,364	216,229	198,395	189,961	155,719	159,895	194,562
v Total Revenues through PCA	\$	681,875	774,216	621,332	525,056	560,785	690,422	734,098	673,551	644,917	528,667	542,845	660,537
w Difference of Collection vs Expense	\$	\$ 9,145,570	\$ 9,334,754	\$ 9,472,621	\$ 9,614,192	\$ 9,760,977	\$ 9,780,178	\$ 9,572,740	\$ 9,328,347	\$ 9,400,161	\$ 9,526,169	\$ 9,669,360	\$ 9,901,047
Over collect / (Under Collect) in each month		\$107,103.12	\$189,183.80	\$137,867.29	\$141,570.43	\$146,785.88	\$19,201.07	(\$207,438.07)	(\$244,393.79)	\$71,814.85	\$126,007.33	\$143,191.18	\$231,687.16
RSF Balance		3,874,697.00	3,963,993.66	4,023,673.02	4,100,720.47	4,127,912.15	4,059,119.21	3,757,487.97	3,427,494.69	3,417,774.18	3,478,745.88	3,554,889.08	3,702,823.89
Diff between Billed Rate and Actual Cost	\$	0.02487	0.01313	0.01025	0.01637	0.01536	(0.01463)	(0.05442)	(0.06471)	(0.00392)	0.01236	0.01562	0.02677
Margin (estimate)			10,000.00	10,000.00	10,000.00	-40,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Affect on RSF - by Month	\$	167,914.60	89,296.66	59,679.36	77,047.45	27,191.68	(68,792.94)	(301,631.24)	(329,993.28)	(9,720.51)	60,971.70	76,143.20	147,934.82

Rate Stabilization Balance - 5 Year Forecast



July 2022

TTD Electric Department

Analysis of Aged Receivables as of July 2022

Total # of Customers 4115
 Total Open AR 652,770 - not including accounts with credit balances

Ageing Groups	Count - Active Accounts		Account Type							
	#	% of Total	Res	Small Com	Large Com	Flat	WWTP	DC	N/A	
Current	1,698	41.26%	1,271	344	31	5	1	0	46	
30 days	153	3.72%	106	39	1	1	0	0	6	
60 days	47	1.14%	18	17	6	0	0	0	6	
90 days	14	0.34%	10	0	1	0	0	0	3	
120 days	9	0.22%	7	0	0	0	0	0	2	
150 days	19	0.46%	5	6	5	0	0	0	3	
180+ days	97	2.36%	4	6	0	1	0	0	86	

Ageing Groups	Dollars Due per Ageing Buckets								
	Total	Res	Small Com	Large Com	Flat	WWTP	DC	N/A	
Current	581,277	215,016	201,001	57,301	473	101,640	0	5,846	
30 days	23,405	6,534	16,475	24	97	0	0	275	
60 days	5,448	1,076	1,008	2,950	0	0	0	415	
90 days	1,094	898	0	0	0	0	0	196	
120 days	787	696	0	0	0	0	0	91	
150 days	3,091	787	236	1,957	0	0	0	112	
180+ days	37,668	10,486	34	0	364	0	0	26,785	

N/A indicates a finalled or closed account.

AR 90 Days or less	611,223.15	93.6%	Comparison to Previous Month
AR Greater than 90 Days	41,547	6.4%	Better
			Worse
			Same

EXECUTIVE SESSION

- **REAL ESTATE – 213 EAST AVENUE – CGS-1-200(6)(B) AND CGS-1-200(6)(D)**

**** COMMISSIONER _____ MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS REAL ESTATE – 213 EAST AVENUE.**

**** COMMISSIONER _____ SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners and Messrs. Barber and Scofield entered into Executive Session at _____

The Commissioners and Messrs. Barber and Scofield returned to public session at _____

ADJOURNMENT

**** COMMISSIONER _____ MOVED TO ADJOURN.**

**** COMMISSIONER _____ SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at _____.