



Third Taxing District

2 Second Street
East Norwalk, CT 06855

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Third Taxing District of the City of Norwalk Commission Meeting

Monday, April 22, 2024 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 – March 25, 2024 Regular Meeting – A/R (Pgs. 1-4)
3. Discussion/Analysis of Financial Statements/Key Performance Indicators (Pgs. 5-12)
4. Engagement Letter – FYE 6/30/2024 Audit – A/R (Pgs. 13-20)
5. 2024 Holiday Party Date
6. General Manager's Report
7. 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.

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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
March 25, 2024

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

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 6:32 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

ENNA REQUEST FOR COMMUNITY EVENT

Mr. Barber informed the Commission that Ms. Diane Cece of the East Norwalk Neighborhood Association is once again asking for permission to use the parking lot at the East Norwalk Library for their annual shredding event. The event will be held on Saturday, April 20, 2024. Ms. Cece has been in touch with the library and has received their permission to use the parking lot dependent on the Commission's approval. Ms. Cece also provided a COI (Certificate of Insurance) from the vendor On-Site Shredding, LLC.

**** COMMISSIONER PARKINGTON MOVED TO APPROVE THE EAST NORWALK NEIGHBORHOOD ASSOCIATION'S REQUEST TO USE THE LIBRARY PROPERTY ON SATURDAY, APRIL 20, 2024 TO BRING IN ON-SITE SHREDDING, LLC TO SHRED THEIR DOCUMENTS.**

**** COMMISSIONER SWEENEY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Third Taxing District
of the City of Norwalk
March 25, 2024

MINUTES OF MEETING

February 26, 2024 Regular Meeting

- ** COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF FEBRUARY 26, 2024 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 the month of February 2024. Total Income is \$7,383,384 versus \$7,589,309 for last year, a difference of (2.71%). Total Expense is \$7,600,361 versus \$8,251,372 for last year, a difference of (7.89%). Net Income before Rate Stabilization is (\$632,092) versus (\$17,522) from last year or a difference of (3,507%). Net Income after Rate Stabilization is (\$820,493) versus \$85,588 for last year, a difference of (1,059%).

The total local cash balance on hand is \$8,397,173. Of this, the Capital Improvement Fund is \$2,592,430. The current outstanding principal balance with CMEEC is \$2,672,277. Current Fiscal Year Capital additions to date is \$230,617.

Funds held at CMEEC include:

- Rate Stabilization Fund (RSF)	\$3,657,267
- Municipal Competitive Trust	\$2,192,566
- Economic Development Fund	\$ 159,923
- Conservation & Load Management	\$ 507,591
- Regional Greenhouse Gas Initiative	\$ 219,747
- Renewable Resource Investment Fund	\$ 35,385

Mr. Barber reviewed the P&L for the Electric Department. Income for the month of February 2024 is \$1,097,129.61. Purchased Power (555-00) for the month of February 2024 is \$436,583.87 and Purchased Power for Cervalis is \$62,119.06. Operating Expenses for the month is \$394,516.29.

The P&L for the District continues to be in good shape. The Christmas Tree Lighting is over budget due to the cost of renting a stage and lighting for the event as the City of Norwalk's Showmobile is no longer movable from Calf Pasture Beach.

KPI's: They remain in good shape.

DRAFT

RSF: The current balance of the RSF (Rate Stabilization Fund) is \$3,657,267. The five-year projection is showing an increase, putting it over the target balance.

Accounts Receivable: Overall, TTD is doing very well. The greater than 90 days open balance is \$42,374 which is 6.4% of the overall balance. Mr. Barber noted that we are still in the moratorium until May 1, 2024.

GENERAL MANAGER'S REPORT

Update on Cost of Service Study – Mr. Barber is continuing to work with UFS (Utility Financial Services). UFS is currently analyzing the data that was provided. Mr. Barber is expecting to have a better report for the Commission at the April meeting. The report should include what TTD will need to do, how to provide better information to the customers and recommendations on how to handle the entire process.

Annual Meeting – Mr. Barber noted that the Annual Meeting went well and the District Budget was approved for FY24-25.

Ludlow Park Update – Staff is waiting for Alan Broadbent to finish the bid process.

ADJOURNMENT

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

The meeting adjourned at 6:57 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
March 25, 2024

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-Mar2024 vs. Jul-Mar 2023**

	Jul-Mar-24	Jul-Mar-23	\$ Change	% Change
Total Income	8,350,874	8,505,874	(155,000)	-1.82%
Total Expense	8,427,770	9,236,853	(809,083)	-8.76%
Net Ordinary Income	(76,897)	(730,979)	654,082	89%
Other Income	290,113	1,025,451	(735,338)	-72%
Other Expense	636,250	321,250	315,000	100%
Net Income before Rate Stabilization	(423,034)	(26,778)	(396,256)	-1480%
Rate Stabilization	(141,171)	(325,869)	184,698	57%
Net Income	(564,205)	(352,647)	(211,558)	-60%

CASH BALANCES

	Mar-24
ACCTS	
Operating Accounts	\$ 2,267,929
Savings	3,936,568
Capital Improvements Fund	2,631,013
Total	\$ 8,835,510

Funds Held at CMEEC			
Rate Stabilization Fund (RSF)	\$3,690,964	C&LM	\$522,268
Municipal Competitive Trust	\$2,198,750	RGGI	\$258,061
Total	\$5,889,714	RRIF	\$ 35,513
Economic Development Fund	\$ 160,388	Total	\$815,842

TTD Outstanding Principal Balance with CMEEC

Balance as of July 1, 2022	\$ 3,504,109
Current Outstanding Balance	\$ 2,660,147
Current Fiscal Year Capital Additions to date	\$ 237,132

C&LM-Conservation & Load Management
RGGI-Regional Greenhouse Gas Initiative
RRIF-Renewable Resource Investment Fund

Third Taxing District
Profit & Loss Budget vs. Actual
July 2023 through March 2024

	Current Month				Year to Date			
	Mar 24	Budget	\$ Over Budget	% of Budget	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
443-00 · Cervalis Data Center Revenues	87,146.04	62,104.00	25,042.04	40.32%	720,248.63	679,960.00	40,288.63	5.93%
440-00 · Residential Sales	369,126.39	361,787.00	7,339.39	2.03%	3,165,757.78	3,305,212.00	-139,454.22	-4.22%
442-01 · Large Commercial Sales	62,231.87	69,434.00	-7,202.13	-10.37%	536,132.48	583,879.00	-47,746.52	-8.18%
442-02 · Small Commercial Sales	173,475.59	205,205.00	-31,729.41	-15.46%	1,644,611.02	1,992,644.00	-348,032.98	-17.47%
445-01 · Water Pollutn Contrl Pnt Sales	105,907.05	94,474.00	11,433.05	12.1%	821,672.99	824,398.00	-2,725.10	-0.33%
445-02 · Flat Rate	7,850.92	8,656.00	-805.08	-9.3%	62,682.99	72,064.00	-9,381.01	-13.02%
451-00 · Miscellaneous Service Revenue	1,370.00	837.92	532.08	63.5%	7,008.28	7,541.24	-532.96	-7.07%
557-00 · Purchased Power Adjustment	160,382.60	168,781.00	-8,398.40	-4.98%	1,392,759.92	1,535,104.00	-142,344.08	-9.27%
Total Income	967,490.46	971,278.92	-3,788.46	-0.39%	8,350,874.00	9,000,802.24	-649,928.24	-7.22%
Cost of Goods Sold								
555-10 · Electrical Power Purch - Cerv	53,720.57	51,311.00	-2,409.57	-4.7%	566,600.39	570,337.00	3,736.61	0.66%
555-00 · Electrical Power Purchased	418,802.41	454,281.00	-35,478.59	7.81%	4,159,983.00	4,263,677.00	103,694.00	2.43%
Total COGS	472,522.98	505,592.00	33,069.02	6.54%	4,726,583.39	4,834,014.00	107,430.61	2.22%
Gross Profit	494,967.48	465,686.92	29,280.56	6.29%	3,624,290.61	4,166,788.24	-542,497.63	-13.02%
Expense								
904-00 · Substation	12,126.51	16,541.67	4,415.16	26.69%	147,370.22	148,874.99	1,504.77	1.01%
403-00 · Depreciation Expense	70,852.42	75,000.00	4,147.58	5.53%	637,671.78	675,000.00	37,328.22	5.53%
408-00 · Taxes	678.71	101,116.25	100,437.54	99.33%	229,366.32	310,046.25	80,679.93	26.02%
540-00 · Other Power Generation Expense	2,229.91	11,666.66	9,436.75	80.89%	73,665.23	105,000.02	31,334.79	29.84%
580-00 · Distribution Expenses	13,163.02	20,916.67	7,753.65	37.07%	154,624.78	188,249.99	33,625.21	17.86%
590-00 · Maintenance Expenses	42,902.90	54,250.01	11,347.11	20.92%	445,472.89	488,249.97	42,777.08	8.76%
900-00 · Customer Accounts & Service	23,708.49	43,420.76	19,712.27	45.4%	313,644.63	390,786.72	77,142.09	19.74%
920-00 · Administrative Expenses	181,918.59	221,599.51	39,680.92	17.91%	1,699,371.15	1,994,395.55	295,024.40	14.79%
Total Expense	347,580.55	544,511.53	196,930.98	36.17%	3,701,187.00	4,300,603.49	599,416.49	13.94%
Net Ordinary Income	147,386.93	-78,824.61	226,211.54	-286.98%	-76,896.39	-133,815.25	56,918.86	-42.54%
Other Income/Expense								
Other Income								
418-00 · Dividends	9,157.84	6,666.66	2,491.18	37.37%	80,618.21	60,000.02	20,618.19	34.36%
419-00 · Interest Income	850.00	500.00	350.00	70.0%	24,782.27	4,500.00	20,282.27	450.72%
420-00 · Gain/(Loss) on Investments	29,417.95	0.00	29,417.95	100.0%	82,305.11	0.00	82,305.11	100.0%
421-00 · Norden Project Income	3,400.00	11,666.66	-8,266.66	-70.86%	28,570.29	105,000.02	-76,429.73	-72.79%
423-00 · Gain/(Loss) from Sale of FA	379.50	416.67	-37.17	-8.92%	379.50	3,749.99	-3,370.49	-89.88%
424-00 · Energy Conservation Fund Income	11,460.05	11,960.08	-500.03	-4.18%	24,583.88	107,640.76	-83,056.88	-77.16%
425-00 · Miscellaneous Income	45,979.03	1,250.00	44,729.03	3,578.32%	48,873.72	11,250.00	37,623.72	334.43%
Total Other Income	100,644.37	32,460.07	68,184.30	210.06%	290,112.98	292,140.79	-2,027.81	-0.69%
Other Expense								
426-30 · PERSON TO PERSON	25,000.00	2,083.33	-22,916.67	-1,100.0%	25,000.00	18,750.01	-6,249.99	-33.33%
426-10 · Distribution to "District Fund"	0.00	0.00	0.00	0.0%	611,250.00	611,250.00	0.00	0.0%
Total Other Expense	25,000.00	2,083.33	-22,916.67	-1,100.0%	636,250.00	630,000.01	-6,249.99	-0.99%
Net Other Income	75,644.37	30,376.74	45,267.63	149.02%	-346,137.02	-337,859.22	-8,277.80	-2.45%
Net Income	223,031.30	-48,447.87	271,479.17	560.35%	-423,033.41	-471,674.47	48,641.06	10.31%

TTD District Fund
Profit & Loss Budget vs. Actual
July 2023 through March 2024

	Current Month				Year to Date			
	Mar 24	Budget	\$ Over Budget	% of Budget	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
980-02 · INTEREST INCOME	45.00	27.08	17.92	66.17%	377.84	243.76	134.08	55.0%
980-05 · FIRE HOUSE RENT	0.00	0.00	0.00	0.0%	53,718.00	53,718.00	0.00	0.0%
980-10 · FUNDING FROM ELECTRIC	0.00	0.00	0.00	0.0%	611,250.00	611,250.00	0.00	0.0%
Total Income	<u>45.00</u>	<u>27.08</u>	<u>17.92</u>	<u>66.17%</u>	<u>665,345.84</u>	<u>665,211.76</u>	<u>134.08</u>	<u>0.02%</u>
Expense								
980-12 · FEES- COMMISSIONERS	2,625.00	2,625.00	0.00	0.0%	7,875.00	7,875.00	0.00	0.0%
980-14 · FEES-CLERKS	450.00	450.00	0.00	0.0%	1,350.00	1,350.00	0.00	0.0%
980-16 · FEES-TREASURER	450.00	450.00	0.00	0.0%	1,350.00	1,350.00	0.00	0.0%
980-17 · Fees - Rate Payer Rep	450.00	450.00	0.00	0.0%	1,350.00	1,350.00	0.00	0.0%
980-19 · PAYROLL EXPENSES	269.68	325.00	55.32	17.02%	809.04	975.00	165.96	17.02%
980-20 · PARKS MAINTENANCE	696.40	3,566.67	2,870.27	80.47%	22,235.06	32,099.99	9,864.93	30.73%
980-30 · EAST NORWALK CEMETERY ASS'N								
980-30 · EAST NORWALK CEMETERY ASS'N - Other	2,470.01	2,641.67	171.66	6.5%	18,309.84	23,774.99	5,465.15	22.99%
Total 980-30 · EAST NORWALK CEMETERY ASS'N	<u>2,470.01</u>	<u>2,641.67</u>	<u>171.66</u>	<u>6.5%</u>	<u>18,309.84</u>	<u>23,774.99</u>	<u>5,465.15</u>	<u>22.99%</u>
980-35 · EAST NORWALK IMP ASSOC LIBRARY								
980-36 · Electric Funding-Library Match	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
980-38 · LIBRARY PROPERTY MAINTENANCE	320.29	675.00	354.71	52.55%	4,465.99	6,075.00	1,609.01	26.49%
980-35 · EAST NORWALK IMP ASSOC LIBRARY - Other	0.00	0.00	0.00	0.0%	127,500.00	127,500.00	0.00	0.0%
Total 980-35 · EAST NORWALK IMP ASSOC LIBRARY	<u>320.29</u>	<u>675.00</u>	<u>354.71</u>	<u>52.55%</u>	<u>131,965.99</u>	<u>133,575.00</u>	<u>1,609.01</u>	<u>1.2%</u>
980-40 · CHRISTMAS TREE LIGHTING	0.00	0.00	0.00	0.0%	10,371.20	6,800.00	-3,571.20	-52.52%
980-45 · FIREHOUSE EXPENSES								
980-45 · FIREHOUSE EXPENSES - Other	0.00	125.00	125.00	100.0%	0.00	1,125.00	1,125.00	100.0%
Total 980-45 · FIREHOUSE EXPENSES	<u>0.00</u>	<u>125.00</u>	<u>125.00</u>	<u>100.0%</u>	<u>0.00</u>	<u>1,125.00</u>	<u>1,125.00</u>	<u>100.0%</u>
980-55 · CONCERTS IN THE PARK	0.00	0.00	0.00	0.0%	26,532.52	33,900.00	7,367.48	21.73%
980-70 · ANNUAL MEETING EXPENSES	1,675.22	3,000.00	1,324.78	44.16%	2,354.62	3,000.00	645.38	21.51%
980-90 · CONTINGENCY EXPENSES	0.00	2,500.00	2,500.00	100.0%	0.00	22,500.00	22,500.00	100.0%
980-95 · Other District Services	0.00	833.34	833.34	100.0%	8,125.00	7,499.98	-625.02	-8.33%
Total Expense	<u>9,406.60</u>	<u>17,641.68</u>	<u>8,235.08</u>	<u>46.68%</u>	<u>232,628.27</u>	<u>277,174.96</u>	<u>44,546.69</u>	<u>16.07%</u>
Net Ordinary Income	<u>-9,361.60</u>	<u>-17,614.60</u>	<u>8,253.00</u>	<u>46.85%</u>	<u>432,717.57</u>	<u>388,036.80</u>	<u>44,680.77</u>	<u>11.51%</u>
Net Income	<u><u>-9,361.60</u></u>	<u><u>-17,614.60</u></u>	<u><u>8,253.00</u></u>	<u><u>46.85%</u></u>	<u><u>432,717.57</u></u>	<u><u>388,036.80</u></u>	<u><u>44,680.77</u></u>	<u><u>11.51%</u></u>

THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)
March

	Formula	2024	2023	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	100.92%	108.59%	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	102.61%	112.42%	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	56.08%	61.40%	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	57.76%	64.93%	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	\$45,061	\$40,999		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	9.36%	21.43%		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	\$3,650,964	\$3,512,806	\$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 Losses/Total Sources of Energy	5.73%	7.05%	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

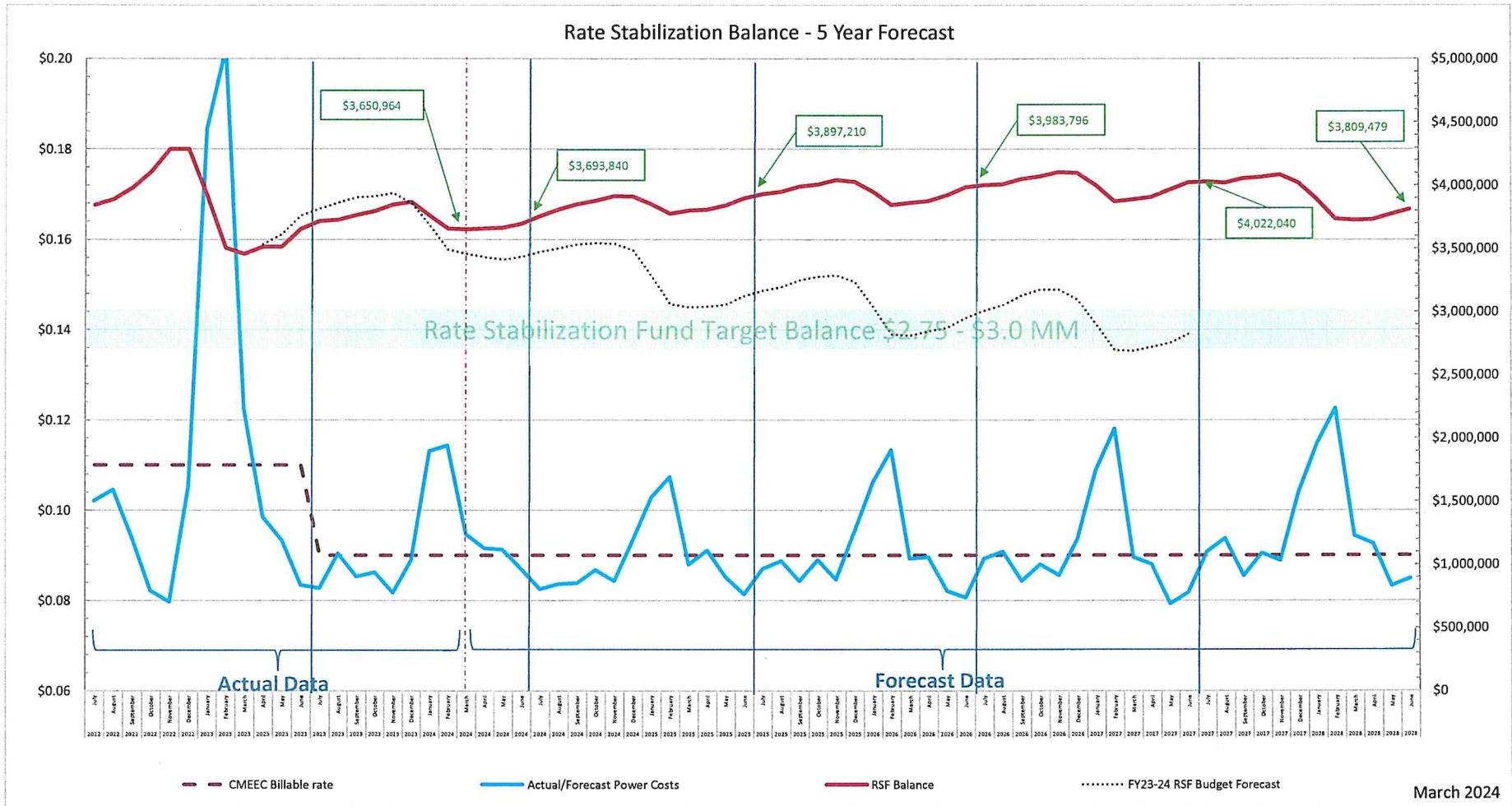
Power Cost Adjustment Calculation
6 Month Rolling Average (starting January 2014)

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.

		2023 July	2023 August	2023 September	2023 October	2023 November	2023 December	2024 January	2024 February	2024 March	2024 April	2024 May	2024 June
Total Energy	kWh												
CMEEC Billable rate	\$/kWh	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000
h Grand Total (Actual) Purchased Power Costs	\$	557,670	517,607	426,244	354,119	369,129	448,421	632,361	554,776	440,627	377,034	386,973	446,522
i (Sum of current and previous 5 months)	\$	3,255,320	2,828,953	2,663,023	2,623,397	2,609,306	2,673,190	2,747,881	2,785,051	2,799,434	2,822,349	2,840,193	2,838,294
j kWh's Purchased	kWh												
l Total Purchased Power kWh Units	kWh	6,739,993	5,721,750	4,997,018	4,106,302	4,514,796	5,046,508	5,591,374	4,850,932	4,653,360	4,115,647	4,239,403	5,138,348
m (Sum of current and previous 5 months)	kWh	28,955,036	30,010,650	30,171,073	30,279,826	30,690,064	31,126,367	29,977,748	29,106,930	28,763,272	28,772,617	28,497,224	28,589,064
Actual/Forecast Power Costs	\$/kWh	0.08274	0.09046	0.0853	0.08624	0.08176	0.08886	0.1131	0.11436	0.09469	0.09161	0.09128	0.0869
n Power (Actual) Supply Costs @ Retail	\$	0.1187	0.0995	0.0932	0.0915	0.0898	0.0907	0.0968	0.1010	0.1028	0.1036	0.1052	0.1048
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	\$	0.0229	0.0037	(0.0026)	(0.0043)	(0.0060)	(0.0051)	0.0010	0.0052	0.0070	0.0078	0.0094	0.0090
r Actual PCA Implemented	\$	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350
s Total System Retail Sales (kWh's)	kWh	5,451,019	5,413,452	5,965,161	4,061,277	3,917,260	4,293,906	4,758,479	5,174,834	4,392,772	3,885,171	4,001,996	4,850,600
t Base PCA Revenue	\$	522,208	518,609	571,462	389,070	375,274	411,356	455,862	495,749	420,828	372,199	383,391	464,687
u Fuel Factor Revenue	\$	190,786	189,471	208,781	142,145	137,104	150,287	166,547	181,119	153,747	135,981	140,070	169,771
v Total Revenues through PCA	\$	712,993	708,080	780,243	531,215	512,378	561,643	622,409	676,868	574,575	508,180	523,461	634,458
w Difference of Collection vs Expense	\$	9,992,186	10,182,659	10,536,658	10,713,754	10,857,003	10,970,224	10,960,272	11,082,364	11,216,312	11,347,458	11,483,946	11,671,882
Over collect / (Under Collect) in each month		\$155,323.30	\$190,472.82	\$353,999.16	\$177,095.91	\$143,248.56	\$113,221.43	(\$9,952.15)	\$122,092.20	\$133,947.91	\$131,145.95	\$136,488.36	\$187,936.05
RSF Balance		3,716,603.00	3,726,804.00	3,764,578.00	3,794,676.00	3,847,382.00	3,868,648.00	3,759,235.00	3,657,267.00	3,650,964.00	3,657,337.81	3,664,911.37	3,693,840.25
Diff between Billed Rate and Actual Cost	\$	0.00726	(0.00046)	0.00470	0.00376	0.00824	0.00114	(0.02310)	(0.02436)	(0.00469)	(0.00161)	(0.00128)	0.00310
Margin and Interest (estimate)		10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00
Affect on RSF - by Month	\$	58,932.35	7,367.99	33,485.98	25,439.70	47,201.92	15,753.02	(119,160.74)	(105,168.70)	(8,824.26)	6,373.81	7,573.56	28,928.88

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

		2024 July	2024 August	2024 September	2024 October	2024 November	2024 December	2025 January	2025 February	2025 March	2025 April	2025 May	2025 June
Total Energy	kWh												
CMEEC Billable rate	\$/kWh	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000
h Grand Total (Actual) Purchased Power Costs	\$	\$ 535,950	\$ 515,060	\$ 400,204	\$ 358,364	\$ 374,371	\$ 505,030	\$ 592,689	\$ 534,777	\$ 437,696	\$ 375,990	\$ 359,582	\$ 415,416
i (Sum of current and previous 5 months)	\$	2,741,882	2,702,166	2,661,743	2,643,072	2,630,470	2,688,978	2,745,717	2,765,435	2,802,927	2,820,553	2,805,764	2,716,150
j kWh's Purchased	kWh												
l Total Purchased Power kWh Units	kWh	6,497,936	6,160,265	4,772,853	4,131,950	4,441,987	5,406,591	5,762,655	4,980,233	4,976,644	4,129,488	4,219,954	5,102,760
m (Sum of current and previous 5 months)	kWh	29,495,626	30,804,959	30,924,452	30,940,754	31,143,339	31,411,582	30,676,301	29,496,269	29,700,060	29,697,598	29,475,565	29,171,734
Actual/Forecast Power Costs	\$/kWh	0.08248	0.08361	0.08385	0.08673	0.08428	0.09341	0.10285	0.10738	0.08795	0.09105	0.08521	0.08141
n Power (Actual) Supply Costs @ Retail	\$	0.0982	0.0926	0.0909	0.0902	0.0892	0.0904	0.0945	0.0990	0.0997	0.1003	0.1005	0.0983
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	\$	0.0024	(0.0032)	(0.0049)	(0.0056)	(0.0066)	(0.0054)	(0.0013)	0.0032	0.0039	0.0045	0.0047	0.0025
r Actual PCA Implemented	\$	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350	\$ 0.0350
s Total System Retail Sales (kWh's)	kWh	6,134,051	5,815,290	4,505,573	3,900,561	4,193,236	5,103,822	5,439,946	4,701,340	4,697,952	3,898,237	3,983,636	4,817,006
t Base PCA Revenue	\$	587,642	557,105	431,634	373,674	401,712	488,946	521,147	450,388	450,064	373,451	381,632	461,469
u Fuel Factor Revenue	\$	214,692	203,535	157,695	136,520	146,763	178,634	190,398	164,547	164,428	136,438	139,427	168,595
v Total Revenues through PCA	\$	802,334	760,640	589,329	510,193	548,475	667,580	711,545	614,935	614,492	509,889	521,060	630,064
w Difference of Collection vs Expense	\$	\$ 11,938,266	\$ 12,183,847	\$ 12,372,972	\$ 12,524,801	\$ 12,698,906	\$ 12,861,456	\$ 12,980,312	\$ 13,060,470	\$ 13,237,266	\$ 13,371,166	\$ 13,532,643	\$ 13,747,292
Over collect / (Under Collect) in each month		\$266,384.13	\$245,580.16	\$189,125.25	\$151,829.36	\$174,104.58	\$162,550.25	\$118,855.88	\$80,157.85	\$176,796.26	\$133,899.52	\$161,477.34	\$214,648.68
RSF Balance		3,755,704.73	3,808,068.82	3,850,421.87	3,876,933.34	3,915,341.51	3,909,905.03	3,848,854.92	3,775,298.47	3,798,500.59	3,807,164.63	3,840,378.21	3,897,210.92
Diff between Billed Rate and Actual Cost	\$	0.00752	0.00639	0.00615	0.00327	0.00572	(0.00341)	(0.01285)	(0.01738)	0.00205	(0.00105)	0.00479	0.00859
Margin and Interest (estimate)		13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00
Affect on RSF - by Month	\$	61,864.48	52,364.09	42,353.04	26,511.48	38,408.17	(5,436.48)	(61,050.12)	(73,556.45)	23,202.12	8,664.04	33,213.58	56,832.71



TTD Electric Department

Analysis of Aged Receivables as of March 2024

Total # of Customers 4240
 Total Open AR 528,618 - 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	1,544	36.42%	1,261	231	26	3	1	0	21	
30 days	148	3.49%	129	13	0	0	0	0	5	
60 days	39	0.92%	37	0	0	0	0	0	2	
90 days	17	0.40%	15	0	0	0	0	0	2	
120 days	21	0.50%	19	0	0	0	0	0	2	
150 days	10	0.24%	10	0	0	0	0	0	0	
180+ days	87	2.05%	7	2	0	0	0	0	78	

Ageing Groups	Dollars Due per Ageing Buckets								
	Total	Res	Small Com	Large Com	Flat	WWTP	DC	N/A	
Current	449,327	185,975	99,457	27,788	171	133,785	0	2,151	
30 days	26,287	15,283	10,701	0	0	0	0	303	
60 days	5,286	5,234	0	0	0	0	0	52	
90 days	2,478	2,440	0	0	0	0	0	38	
120 days	2,873	1,874	0	0	0	0	0	999	
150 days	798	798	0	0	0	0	0	0	
180+ days	41,390	14,982	65	0	0	0	0	26,343	

N/A indicates a finalled or closed account.

AR 90 Days or less	483,377.39	91.5%	Comparison to Previous Month
AR Greater than 90 Days	45,061	8.5%	Better
			Worse
			Same



Third Taxing District

2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271
Fax: (203) 866-9856

Memorandum

To: TTD Commissioners

From: **Kevin Barber – General Manager**

Date: April 16, 2024

Subject: Recommendation of Auditor for Fiscal Year Ending June 30, 2024

The Third Taxing District has received an engagement letter from auditing firm Hope and Hernandez, P.C., to perform the financial audit for the fiscal year ending June 30, 2024. The cost of this year’s audit is \$25,600, an increase of \$975 from the previous year.

TTD is very happy with the service provided by Hope and Hernandez and recommends the Commission approve the execution of the engagement letter for this year’s audit.

I would be happy to address any questions at Monday’s meeting.

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



April 12, 2024

Mr. Kevin Barber, General Manager
Third Taxing District of the City of Norwalk, Connecticut
2 Second Street
East Norwalk, CT 06855

**ENGAGEMENT LETTER FOR THE YEAR ENDING
JUNE 30, 2024**

Dear Mr. Barber:

We are pleased to confirm our understanding of the services we are to provide the Third Taxing District of the City of Norwalk, Connecticut for the year ending June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Third Taxing District of the City of Norwalk, Connecticut as of and for the year ending June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Third Taxing District of the City of Norwalk, Connecticut's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Third Taxing District of the City of Norwalk, Connecticut's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Changes in the District's Net Pension Liability and Related Ratios
3. Schedule of Net Pension Liability
4. Schedule of District Contributions - Pension Trust Fund.
5. Schedule of Investment Returns – Pension Trust Fund
6. Schedule of Changes in the Total OPED Liability and Related Ratios
7. Schedule of Changes in the Total OPED Liability

We have also been engaged to report on supplementary information other than RSI that accompanies the Third Taxing District of the City of Norwalk, Connecticut's financial statements. We will subject the following supplementary information to the auditing procedures applied in our

Audit Scope and Objectives - Continued

audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

1. Schedule of Utility Plant.
2. Schedule of Various Operating Expenses.
3. Schedule of Various Administrative Expenses.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatement may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend it to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Third Taxing District City of Norwalk, Connecticut's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the Third Taxing District of the City of Norwalk, Connecticut in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other

Other Services - Continued

services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refused to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3), others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Responsibilities of Management for the Financial Statements - Continued

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Hope & Hernandez, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Hope & Hernandez, P.C.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a cognizant agency or its designee. The cognizant agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Charles J Rubertino, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately August 9, 2024 and to issue our reports no later than October 31, 2024.

Our fee for the audit for the year ending June 30, 2024 will be \$25,600. Our fees for other special auditing, accounting services or consulting services will be billed at the rate of \$100 per hour plus expenses.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we

Mr. Kevin Barber, General Manager
Third Taxing District
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Engagement Administration, Fees and Other - Continued

elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Reporting

We will issue a written report upon completion of our audit of the Third Taxing District of the City of Norwalk, Connecticut's financial statements. Our report will be addressed to the Honorable Commissioners of the Third Taxing District of the City of Norwalk, Connecticut. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the Third Taxing District of the City of Norwalk, Connecticut and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Charles J. Rubertino, CPA, President

RESPONSE:

This letter correctly sets forth the understanding of the Third Taxing District of the City of Norwalk, Connecticut.

Management Signature: _____

Title: _____

Date: _____

**** COMMISSIONER _____ MOVED TO APPROVE KEVIN BARBER,
GENERAL MANAGER, TO ENGAGE HOPE & HERNANDEZ TO PERFORM THE
AUDIT FOR THIRD TAXING DISTRICT FOR FYE JUNE 30, 2024 FOR A COST NOT
TO EXCEED \$25,600.**

**** COMMISSIONER _____ SECONDED.**