

**CITY OF NORWALK  
PUBLIC POWER AUTHORITY COMMISSION  
REGULAR MEETING  
JANUARY 21, 2009**

**ATTENDANCE:** Kelly Straniti, Chair; Michael Geake, William Krummel, Laurel Lindstrom, Douglas Hempstead (7:05 p.m.)

**STAFF:** Thomas Hamilton, Director of Finance; Ossie Lewis  
Finance Department

**OTHERS:** William Collins, former Mayor of Norwalk, Mr. Ed Dowling, UHY Advisory N.E., LLC; William Sawicki, UHY Advisory N.E., LLC; Douglas Marsh, Organizational Dynamics, LLC; Paul McCary, Murtha Cullina, LLP; Marshal Chiaraluce, retired CEO and Chairman of the Connecticut Water Service, Inc.; Mary Geake, Diane Cece

**CALL TO ORDER**

Ms. Straniti called the meeting to order at 7:00 p.m.

**APPROVAL MINUTES OF THE MEETING OF OCTOBER 30, 2008**

**\*\* MR. GEAKE MOVED THE MINUTES OF OCTOBER 30, 2008**

**\*\* THE MOTION PASSED WITH THREE IN FAVOR (STRANITI, GEAKE, AND LINDSTROM) AND ONE ABSTENTION (KRUMMEL).**

**PRESENTATION OF CONSULTANTS ON DRAFT REPORT.**

Mr. Dowling introduced himself to the Commission and then proceeded to introduce the other members of the team and give a brief overview of their qualifications.

*Mr. Hempstead joined the meeting at 7:05 p.m.*

Mr. Sawicki then informed the Commission that after consideration of all the facts, the formation of a public power authority would not be advisable.

Mr. Marsh then gave some brief highlights from the draft copy of the Feasibility Study. He reminded everyone that CL&P was not interested in voluntarily selling of their distribution system.

One of the difficulties would be that Norwalk has four major trunk lines coming into it and sorting out how much the other municipality's use would be a major challenge.

The discussion then moved to the fact that DPUW recognizes that Manresa Power Plant does not operate for more than two or three years weeks a year. One difficulty is that Manresa is an oil burning plant and is one of the dirtier plants in the State.

Ms. Lindstrom said that she was frustrated with the report in that in the Executive Summary the section headed as "Opportunities" was actually all challenges. She felt that this was not balanced. Mr. Marsh explained that it would have been in the best interest of the group to find opportunities for success.

Mr. Krummel said that there were two aspects, one being the creation of a public power authority and the second being the acquisition of the distribution/acquisition system. He said that purchasing bulk power purchases. He said that he would like to see the opportunity for bulk power purchases available for the private residences.

Mr. Hempstead pointed out that with all the requirements that Northeast Utilities would have to go through to make the project viable. He said that the bottom line would be that it would not save the City any money.

Mr. Hempstead asked Ms. Straniti if the focus of the meeting was to accept the report and forward copies to the full Council. Ms. Straniti said that this was so. Mr. Krummel asked why this was a draft copy. Mr. Marsh said that it was a draft because they wished to give the Commission an opportunity for input similar to the comments already made.

Mr. Hempstead then suggested the inclusion of the possibility of tax incentives for power reduction, such as adding solar power panels. Those opportunities had sunset clauses. Mr. McCary said that he would think about how this might be done.

Mr. Krummel said that he did not believe that the Commission was in a position to accept the report as it was presented at the meeting. Mr. Hamilton reminded everyone that there was a contract involved and that he expected UHY to adjust the report as discussed earlier. Once the report is finalized, then it would be forwarded to the Council.

Ms. Lindstrom said that the original resolution was to have the report sent to Land Use. She then had several detailed questions about the various scenarios included in the report.

Mr. McCary pointed out that at the end of the day, the City would be buying power from the same party that CL&P purchases power from. The City might be able to manage it in a better manner, but that there was no guarantee. Mr. Krummel said that the City had saved 15% with bulk purchases. He said that the first step would be a public power authority.

Mr. Geake then said that when he first read the report, he was disappointed to see how much time was devoted to information regarding the acquisition of a distribution system. However, it was important to remember that this had to be analyzed. He said that he would like to see a more positive tone with the alternative opportunities. Whether these opportunities would be viable remains to be seen. He acknowledged that there may be a convergence in price as suggested. The discussion then moved to the possibility of setting up a power authority and what responsibilities the power authority might assume.

Mr. Krummel said that the focus was saving the residents money on the power by bulk power purchase. Mr. Hempstead said that it would be important to have some alternative in mind before forming a Public Power Authority. Discussion then followed about this.

Mr. Chiaraluce suggested that the Commission might be in a position to have a conversation with CL&P. One of the statements that was made during a meeting between UHY and CL&P was that the service area was not for sale at any price. CL&P was not happy to discover that the City was considering acquisition, but that if they knew that the City was no longer interested in acquisition, they might be very helpful with alternatives.

Mr. Collins asked if Norwalk should set up its own authority, whether the customers would be still responsibility for some of the service costs. Mr. McCary said that he was not sure how that would work out, because they would say that the costs were incurred in the 1990's when the City was a customer.

Mr. Chiaraluce then mentioned the three party management systems and the discussions that occurred with Mr. Hiscock of the Second Taxing District. After due consideration, Mr. Hiscock felt that bringing in 19 thousand customers in along with the current six or seven thousand customers might not be feasible. Mr. Geake said that he had previously discussed this with Mr. Hiscock and that the original idea was that service for those on the east bank of the Norwalk River would be handled by the Third Taxing District, while those living on the west bank would receive service from the Second Taxing District.

Mr. Chiaraluce then suggested that there are management companies who handle the commodity servicing. Mr. Chiaraluce said that he did not believe there was a management company for power companies. This was also asked of other resources, which were not able to locate any management company that would be able to provide this service.

Mr. Krummel then asked that clarification of transmission and distribution lines in the report.

Mr. Collins then asked whether Murtha Cullina had CL&P as a client. Mr. McCary said that they did not have CL&P as clients.

Mr. Hempstead then asked Mr. Hamilton to write up a report about the meeting. Mr. Hamilton said that currently he had the Operating Budget, Capital Budget, Re-evaluation and a Bond Refund in progress. He said that he could not take on additional responsibilities at this time until after the budgets are finalized.

Mr. Marsh then said that he had promised copies of the Black and Veatch Report from April 1999. He attempted to email the item to the Commission members, but no one received the report. Mr. Marsh then distributed paper copies to the Commission members for their reference.

Ms. Straniti said that in the future, people would go back to the report for analysis, but that the technology might drastically change in the future. The final UHY report should be ready within two weeks.

There was a brief discussion about whether there would need to be an additional meeting to receive the report and accept the minutes. A date will be scheduled in the future.

#### **ADJOURNMENT**

**\*\* MR. HEMPSTEAD MOVED TO ADJOURN.**

**\*\* MR. GEAKE SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:45 p.m.

Respectfully submitted,

Sharon L. Soltes  
Telesco Secretarial Services