

Common Council Actions

SPECIAL MEETING OF THE COMMON COUNCIL

JANUARY 20, 2004

**NORWALK, CONNECTICUT
PM DST, COUNCIL CHAMBERS**

8:00

ALL COMMON COUNCIL ACTIONS TAKEN AT THIS MEETING TO APPROVE EXPENDITURES AND CONTRACTS OR TO ACCEPT BIDS AND OTHER PROPOSALS REQUIRING THE EXPENDITURE OF CITY FUNDS ARE SUBJECT TO THE AVAILABILITY OF FUNDS.

The special meeting of the Common Council of the City of Norwalk was held on Tuesday, January 20, 2004, in the Council Chambers Room, City Hall, 125 East Avenue, Norwalk, Connecticut. Mayor Alex Knopp called the meeting to order at 8:05 p.m. and began with the Pledge of Allegiance.

Mayor Knopp called the special meeting to order at 8:05 p.m. and asked Ms. Stark to call the roll.

I. ROLL CALL

Betsy Bain
William M. Krummel
Kenneth Baker
Kevin Poruban
Fred Bondi
Douglas Sutton
Michael Coffey
Peter Wien
Douglas E. Hempstead
Calvin J. Hilliard
Bruce I. Kimmel

Eleven (11) Members were present at Roll Call.

II. ACCEPTANCE OF THE CALL OF THE MEETING

Mayor Knopp asked Ms. Stark to read the agenda.

III. MAYOR

Mayor Knopp said that the Executive Session was added for informational purposes only.

The Mayor asked Mr. Kimmel to move the item.

- I. **** MR. KIMMEL MOVED TO AUTHORIZE, THE Mayor, Alex A. Knopp, to execute an agreement to participate with third parties in the Independent System Operator-New England "Demand Response Program" pursuant to a draft contract proposed by the ISO-New England dated December 30, 2003.**

Mayor Knopp said that the city was approached to participate in an electricity load-shedding program with the Third Taxing District and the Connecticut Municipal Electrical Energy Cooperative (CMEEC). He said that PinPoint Power and CMEEC made presentations to the Council members on Friday. Mayor Knopp said that the purpose of the program was to close the gap with ISO and to meet the demands of energy for the next four or five years in this area of the country. He said that the agreement could generate revenue for the city. Mayor Knopp said that the representatives estimated that the city had utilized between 10 and 30 hours only in the last 3 years. The Mayor said that the city can choose or not to choose to participate in this agreement. Mayor Knopp said that some of the advantages were that the city would be offered a higher dollar amount per kilowatt from the Third Taxing District and the District would hold the city harmless and also the District would be able to relate to the city in this venture. Mayor Knopp said that the program could be up and running by the summer. Mayor Knopp said that the Third Taxing District has a local interest and has the information available on the generators. Mayor Knopp said that he believed that the CMEEC and the Third Taxing District relationship were good for the city.

Discussion took place on certain features of the agreement and taking responsibility of poor performance of shedding the load in 30 minutes. Mr. Krummel said that he had a conversation with Mr. Leary about the District holding the city harmless. Mayor Knopp said that there if a penalty was assessed then there are other issues as well. He said that ISO has to be assured that a non-performing entity would be performing which was a separate issue. Mr. Leary said that if the equipment not maintained by the District failed then the ongoing reduction in credit would fall back to the city. Mr. Leary added that the District would pick up the two month penalty if the bidding was too high but would not pick up the penalty for equipment failure therefore the city receives less revenue.

Mr. Hempstead asked if the Council had the proposal from the Third Taxing District and added that the Commissioners should vote on this first. Mr. Leary said that the Commissioners will meet on Monday but the deadline for the proposal was Wednesday. Mr. Hempstead asked if there was an inventory of generators. Mr. Leary said that he was only aware of the generators at the WWTP, DPW and City Hall. Mr. Leary said that the District would do the engineering and permitting and that there was no capital investment as part of the proposal. Mr. Alvord explained the rating of the generators and that they

were not pertinent of the load that can be shed or the potential revenues that can be made. He added that despite the age of the generators, they operate well. Mr. Lo said that the generators are tested about two times a month. Mr. Hempstead asked Mr. Lo if there was a life expectancy on the generators. Mr. Lo said that there was low usage on the generators only testing usage. Mr. Alvord said that the generators were used for about 12 hours during the blackout in August of last year.

Mr. Hempstead asked about the revenue stream. Mr. Schmidt said that it was \$9 per kilowatt but depended on the load shedding. He said that the revenue for the city would be about \$268,000 minimum for the four year RFP. He said ISO has the option of extending the RFP to five years. Mr. Schmidt said that the city would receive this amount if the generators were never turned on. Mr. Hempstead asked when the RFP was opened up. Mr. Schmidt said the information came out in pieces and that the contract was issued in early December. Mr. Poruban said that the ISO proposal went out December 16th.

Mr. Hempstead said that he would like to make a motion to table this item because the Third Taxing District Commissioners have not voted on this yet.

**** MR. HEMPSTEAD MOVED TO TABLE THE AUTHORIZATION BY THE MAYOR ALEX A. KNOPP TO EXECUTE AN AGREEMENT TO PARTICIPATE WITH THIRD PARTIES IN THE INDEPENDENT SYSTEM OPERATOR-NEW ENGLAND "DEMAND RESPONSE PROGRAM" PURSUANT TO A DRAFT CONTRACT PORPOSED BY THE ISO-NEW ENGLAND DATED DECEMBER 30, 2003.**

**** MOTION FAILED WITH NINE AGAINST AND TWO IN FAVOR (MR. HEMPSTEAD AND MR. WIEN)**

Mayor Knopp responded that if the item was tabled it would affect the proposal deadline. Mr. Schmidt said that the City would forego the opportunity to receive the revenue of \$268,000 if this were to be tabled. Mr. Hempstead said that it was inappropriate for the Council to vote on an item if the Commissioner have not voted on it first. Mayor Knopp said that if the Council thinks this was a good idea then the Council needed to act on it tonight. Mr. Kimmel asked Mr. Leary why the Commissioners did not hold a special meeting for this item. Mr. Leary responded that the Commissioners did not have a problem with this and felt that they did not need to take any action. Mr. Schmidt said that there is no requirement for the Commissioners to act on this. He said that ISO requires that the owners of the generators act on this. He added that CMEEC would be the agent of the city because the city was the owners of the generators. Mr. Schmidt said that it was not an essential act for the Commissioners to vote on this before January 21st. Mr. Hempstead asked if the contract was with the Third taxing District or CMEEC? Mr. Leary responded that the District is part of CMEEC and CMEEC was part of the New England power pool on the District's behalf.

Mr. Bondi said that he would like to make a motion to amend the item to participate with CMEEC and the Third Taxing District.

**** MR. BONDI MOVED TO AMEND THE AUTHORIZATION BY THE MAYOR ALEX A. KNOPP TO EXECUTE AN AGREEMENT TO PARTICIPATE WITH CMEEC AND THE THIRD TAXING DISTRICT IN THE INDEPENDENT SYSTEM OPERATOR-NEW ENGLAND "DEMAND RESPONSE PROGRAM" PURSUANT TO A DRAFT CONTRACT PORPOSED BY THE ISO-NEW ENGLAND DATED DECEMBER 30, 2003.**

**** AMENDMENT WAS APPROVED WITH NINE IN FAVOR AND TWO ABSTENTIONS (MR. HEMPSTEAD AND MR. WIEN).**

**** MAIN MOTION, AS AMENDED, CARRIED WITH NINE VOTES IN FAVOR, TWO ABSTENTIONS (MR. HEMPSTEAD, MR. WEIN).**

Mr. Kimmel said that he believed that the Council should vote on this item tonight because this was a good deal for the city. He added that if the District doesn't accept this then the Council and the District could discuss the differences. Ms. Bain said that she agreed because of the timing of the increase tax and believed that the Council would be criticized for not taking an opportunity for revenue for the city. Mr. Coffey and Mr. Hilliard said that they both agreed that this was a great opportunity with minimal risk. Mr. Wien said that this all sounded really good but that he did not have the opportunity to look at the information. He said that he was abstaining because he has a responsibility to his constituents.

Mr. Poruban said that he would vote in favor of this because he said that this was a great opportunity for the city.

Mr. Hempstead said that he was only looking for clarification on the approval of this item tonight before the Commissioners voted on it on Monday night. He said that he believed that it was wonderful for the city to find revenue from other sources. Mr. Hempstead said that he was questioning the methodology. Mr. Krummel said that he believed that CMEEC would be making the proposal on behalf of the Third Taxing District. Mr. Leary said that the technicalities are not a problem at all. Mr. Schmidt said that CMEEC was the only one authorized to file because of its member status and it was anticipated by the terms of the RFP that the contract would be entered into by March 1, 2004. Mr. Schmidt said that the District would not sign a contract without the approval of the Commissioners. He added that a full binding contract recognizing the terms for the District, the city and the agent, CMEEC would be in the actual contract.

Mr. Krummel said that CMEEC was offering the city a better deal although there were risks. He said that getting some revenue from PinPoint Power was a better probability than the Third Taxing District and CMEEC. Mr. Krummel said that there was not enough written material before the Council tonight to definitively have a position. Mr. Poruban said that he disagreed with Mr. Krummel. He said that he believed that CMEEC and the District was offering a better financial situation. Mr. Bondi said that the Council approved CMEEC and the District and the next step is to vote on the concept. He said

that he believed this was smart government. Mr. Sutton said that he agreed with Mr. Bondi.

Mayor Knopp asked if there was any more discussion on the amended motion from Mr. Bondi.

V. **EXECUTIVE SESSION** to consider proprietary information submitted as part of the contract negotiations (If needed).

There was no executive session tonight.

VI. **ADJOURNMENT**

** **MAYOR KNOPP MOVED TO ADJOURN THE MEETING.**

** **MOTION PASSED UNANIMOUSLY BY VOICE VOTE.**

The meeting adjourned at 9:10p.m.

Respectfully submitted, Jean Lane for Telesco Secretarial Service

