

TOWN OF WALLINGFORD, CONNECTICUT

TOWN COUNCIL MEETING

December 13, 2005

6:30 P.M.

MINUTES

The following is a record of the minutes made of the Wallingford Town Council at its regular meeting held on Tuesday, December 13, 2005, in the Robert Earley Auditorium of the Wallingford Town Hall. Town Council Chairman James M. Vumbaco Called the Meeting to Order at 6:37 P.M. Responding present to the Roll Call given by Susan Colberg, Town Clerk's Office, were Councilors Vincenzo M. Di Natale, Lois Doherty, Gerald E. Farrell, Jr., Stephen W. Knight, Iris F. Papale, Robert F. Parisi, Michael Spiteri, Vincent F. Testa, Jr., and James M. Vumbaco. Mayor William W. Dickinson, Jr., Town Attorney, Janis Small, and James Bowes, Comptroller, were also present.

Moment of Silence

1. Pledge of Allegiance and Roll Call
2. Correspondence
3. Consent Agenda
 - 3a. Consider and Approve Tax Refunds (#377 - #394) totaling \$7,877.71 Account # 001-1000-010-1170 - Tax Collector.
 - 3b. Consider and Approve a Budget Amendment in the Amount of \$1,500 to Expenditures – Education Acct. # 228-6030-701-7990 and from Preservation Town Share Acct. # 228-1010-020-2030 – Town Clerk

Withdrawn

- 3c. Consider and Approve Appointment to the Zoning Board of Appeals, William Andrew Barnett, to a Regular Term, to fill the vacancy of Michael Brodinsky, to 1/13/09 – Chairman James M. Vumbaco
- 3d. Consider and Approve Appointment to the Zoning Board of Appeals, Samuel L. Carmody, as Alternate, to replace Alternate William Andrew Barnett to 1/08/07 – Chairman James M. Vumbaco
- 3e. Consider and Approve Appointment to the Zoning Board of Appeals, Kathryn F. Zandri, as Alternate, to fill existing vacancy – Chairman James M. Vumbaco
- 3f. Consider and Approve Appointment to the Inland Wetlands and Watercourses Commission, Jeffrey Kohan, to a Regular Term, to replace David May, Jr., to 3/01/07 - Chairman James M. Vumbaco
- 3g. Consider and Approve Appointment to the Inland Wetlands and Watercourses Commission, Eileen Mulvey, as Alternate, to replace Jeffrey Kohan, to 3/01/07 - Chairman James M. Vumbaco
- 3h. Consider and Approve an Appropriation for a Health Block Grant – Nutrition in the Amount of \$6,957 to Grant Expenditures Acct. # 216-3010-605-6000 and from State Grant Acct. # 216-1040-050-5000 – Health Department
- 3i. Consider and Approve Authorizing the Mayor to sign a Lease Agreement between the Town of Wallingford and the Wallingford/Meriden Chapter of the American Red Cross for use of a room at the Civil Preparedness building, 280 Washington Avenue for its Food Pantry – Mayor
- 3j. Approve minutes of the Town Council Meeting, August 16, 2005.
- 3k. Consider and Approve a payment of \$435 from Salary & Wages Acct. #6030-101-1000 as a longevity bonus benefit to the Town Clerk - Chairman James M. Vumbaco

Withdrawn

**ADDENDUM 3l. Reappoint William Ulbrich to the Wallingford Housing Authority - 10/31/04 to 10/31/09
– Chairman James M. Vumbaco**

Ms. Papale made a motion to approve consent agenda items 3a., 3c. 3d. 3e., 3f., 3g., 3h., and 3j. and Addendum Item 3l. (Items 3b. and 3k. were withdrawn.) Mr. Testa seconded. The vote was all ayes and the motion passed.

4. Items Removed from the Consent Agenda

None

Susan Colberg, Town Clerk's Office, swore in William Andrew Barnett to the Zoning Board of Appeals; Samuel L. Carmody to the Zoning Board of Appeals; Jeffrey Kohan and Eileen Mulvey to the Inland Wetlands and Watercourses Commission; and William Ulbrich to the Wallingford Housing Authority.

Chairman Vumbaco announced that Susan Colberg, Assistant Town Clerk, is at the meeting since the Town Clerk had knee surgery.

5. PUBLIC QUESTION AND ANSWER PERIOD

Wes Lube, 15 Montowese Trail, made comments about the Town Clerk job position, referring to a newspaper article he had read. He asked about the salary and a job description and asked the new Town Council to appoint a person worthy of the \$60,000 salary.

Diane Hotchkiss, Registrar's Office, corrected who was holding the position of Republican Registrar during years mentioned by Mr. Lube and the newspaper with specific dates.

6. Acceptance of Donation of \$45,000 from Wallingford Youth Soccer League for field lighting – Parks and Recreation

Ms. Papale made a motion to accept a Donation of \$45,000 from Wallingford Youth Soccer League for field lighting. **Mr. Farrell** seconded.

John Gawlak, Director, Parks and Recreation Department
Henry McCully, Director, Public Works
David Gelo, Wallingford Youth Soccer League

Mr. Gawlak explained that it was determined to light Woodhouse Soccer Field I and the Community Lake Little League baseball field, and they received a favorable ruling that from the State Department of Health that allows field-work on Woodhouse II and the installation of four poles for lighting Woodhouse Avenue. There was a meeting with Parks and Recreation, Public Works, Wallingford Youth Soccer League and Musco Lights, and it was determined that the four pole that were purchased would not be enough to illuminate the field that it needed eight poles. The Wallingford Youth Soccer had money for new equipment to light Pragemann Field 6 and finish it and Community Lake and to light Woodhouse.

David Gelo, Wallingford Youth Soccer League, explained that the funds for the lighting are in partnership with the town and as a result the League is presenting the town with a check for \$45,000. He said that the funds come from the T.W.I.S. T. tournament that has been a tradition in Wallingford for 20 years. He said that the league over the years has given over \$90,000 for scholarships. He said that of the money they raise that 60 percent goes into scholarships and the rest goes into field development fund which is what is being donated tonight. He said that in 1995 the league donated \$30,000 that paid for half of the lighting at Pragemann Park.

Chairman Vumbaco said that the town is very appreciative for the hard work and the funds. He said that there is a motion and a second and asked for all those in favor and those opposed. All voted aye and the motion passed.

Applause

7. Consider and Approve an Appropriation in the Amount of \$45,000 to Field Lighting Acct. # 001-4001-999-9979 and to Revenue – Donation Youth Soccer Lighting Acct. # 001-1075-070-7153 – Parks and Recreation

Ms. Papale made a motion to Consider and Approve an Appropriation in the Amount of \$45,000 to Field Lighting Acct. # 001-4001-999-9979 and to Revenue – Donation Youth Soccer Lighting. **Mr. Parisi** seconded.

There was no discussion and **Chairman Vumbaco** called for the vote. By voice vote all voted aye and **the motion passed**.

8. Consider and Approve a Transfer in the Amount of \$31,098 to Field Lighting Acct. # 001-4001-999-9979 and from Salaries and Wages Acct. # 001-4001-101-1000 – Parks and Recreation

Ms. Papale made a motion to Approve Transfer in the Amount of \$31,098 to Field Lighting Acct. # 001-4001-999-9979 and from Salaries and Wages. **Mr. Parisi** seconded.

Mr. Gawlak explained the surplus in the salary account is what remains in the park and Recreation summer camp program since there were two locations that did not operate last summer due to the school building renovation program.

Chairman Vumbaco asked for discussion, and there was none. He took the vote and all voted aye. **The motion passed**

9. Report Out by the School Renovation Building Committee regarding the cost estimates of the project to date - Republican Councilors

Donald Harwood, Chairman, School Building Renovation Committee and William Choti, Vice-Chairman, Chairman, School Building Renovation Committee

Mr. Harwood and **Mr. Choti** made the presentation to the Town Council.

Mr. Harwood gave an update to the Council saying that twice a month the Council is provided with a summary of the budget related to the 11 school project and the most recent one was the first meeting in December. He said that they are tracking with that

budget. He said that the FF & E, technical and professional fees, and the soft costs on the December sheet are running near to target. He said that after review they see that outside the Turner budget, which is construction, they need to do some tweaking to the budget. He said that their best projection through Phase C is \$2.3 million to \$2.8 million additional that they will request from the Council. He said that this is pretty consistent with Mr. Choti's projection from last July of \$1.8 million impact on the Phase C projects that they had projected at that time.

Chairman Vumbaco asked if the \$1.8 million that was approved for the bonding ordinance last July is part of the \$2.2 million that he is referring to now or if the \$1.8 million is separate from it.

Mr. Harwood said that their projection is that \$2.3 to \$2.8 million is probably based on what work is outstanding will need to be added to this project over and above the \$1.8 million.

Mr. DiNatale asked how he would characterize some of the changes and that he views this as unforeseen and oversight and was this clearly defined which of the expenses are a result of unforeseen circumstances versus oversight by some of the professionals involved.

Mr. Harwood said that they have found in the magnitude of the renovation project that there are unforeseen conditions that they characterize as would be appropriate and not able to be recognized by the professional, the architects, at the time of design and also all architects in big projects like this would characterize as errors and omissions on their architect in managing a project of this magnitude. He said that they have been working with their attorney to decide who owns certain claims, the town or the architect.

Mr. DiNatale asked if the town has been successful in having those professionals absorb those costs. **Mr. Harwood** said that the negotiations are ongoing and that we will probably those adjustments in the first and second quarter of 2006. **Mr. DiNatale** said so some of the costs in the request for increase in budget, or allocation, include the costs associated with oversights and errors and omissions and in fact could be reversed in Phase C. **Mr. Harwood** concurred and said that is why he gave a range at this point and that they are clearly working on issues and numbers with

Attorney D'Onofrio, and that he can't comment on since they are contractual issues.

Ms. Doherty asked if the increase of \$2.3 to \$2.8 million are covered by state funding or are they maintenance related items.

Mr. Harwood said that they struggle trying to identify when the state will do their final audit on this project, two and three years. He said that in the last audit, it was five or six years after the project. He said that they take their best estimate on what is reimbursable, what is partially reimbursable and what is not reimbursable and that based on historical data, they have a pretty good idea of what is going to fall in those categories and that they take their best estimate. He said that for the most part they have incorporated elements that probably could be construed as maintenance items in this project, and the state is going to look at this, and they know that they won't get the 53.38 % reimbursement, and that they knew that from the get-go. He said that if this project shakes out at 45% or 46% that he thinks that the town will be doing very well. He said that in a renovation project it is not uncommon that maintenance is involved.

Mayor Dickinson asked if the \$2.3 to \$2.8 million included anything for the track and the artificial surface football-soccer field or is that outside of this.

Mr. Choti said that yes it does and that what they are doing with the Sheehan budget is working to find more opportunity to increase the allocation to the track and field. He said that they met with you (the Mayor) and with the Comptroller as to the state of the last bond that raised the bond from \$67,170, and then they increased slightly because of the state grant for the track. He said that because there was no firm determination as to whether or not the track and field project was going to be accomplished they felt that it was appropriate to have a place holder of funds so that if they had to return to the original track and field design that they were originally scoped to do, they had to make sure the funds were available if the grant funds disappeared. He said that there is now a placeholder.

Mr. Harwood said that \$67,100 the original bonding ordinance plus the \$1.8 million which brought this project to \$68,970,000 for all 11 schools. He said that there are two separate and distinct bonding ordinances that were obtained if the town wants to exercise them and

both of those were for \$500,000, one for the track and one for the field. He said that for the town approved Sheehan budget they have been carrying \$9,838,926 and that their current financials show that with the work that they are doing, inclusive of the place holder, that is for the original work that that budget at Sheehan will probably be overrun about \$100,000. He said that there is \$800,000 sitting there He said that it's a little less than that because they have already spent \$110,000 related to track and field, so \$750,000 that is being held for the track and field, and then if they take the two bonds it equals about \$1.8 million for discussion. He said that this has gone out to bid three times – the first time under the original scope; then the second time it was bid under the track and field and when it came in, it was higher; then the third time with their projection from both the architect and their CM was that to do the track and field as being proposed today would be about \$2.3 or \$2.4 million. He said that they are still holding \$700,000 to \$800,000 as a placeholder in the 11-school project at Sheehan something to do with the track and field. He said that there is a million dollars in bonds sitting, and then it could be combined to have a pool of about \$1.8 million but that there is a problem because there is a delta when it goes back to the street. He said that they would come back in January and ask the Council that they want to do. He said that the projections are that when it goes to the street and every component was bid, it would come in somewhere between \$2.3 million or \$2.4 million so that they still have \$1.8 million, and that they are not including a potential overrun on the track and field that is being discussed now in the number that they are showing them there.

Mayor Dickinson said that would be an overrun of about \$600,000 given that bid that was being talked about, the difference between \$2.4 million and \$1.8 million. **Mr. Harwood** said that would be about right based on what the CM and the architect have projected. He said that it's would be that if the bids come in that would have to be added.

Chairman Vumbaco asked if there were any other questions from the Council or the public, and there were none. He called for item number 10.

10. Public Hearing at 7:00 P.M. on December 13, 2005 to be held in connection with the following ordinance entitled:

AN ORDINANCE AMENDING AN ORDINANCE APPROPRIATING \$540,000 FOR THE PLANNING AND DESIGN OF THE EXPANSION OF THE WALLINGFORD PUBLIC LIBRARY AND AUTHORIZING THE ISSUE OF \$540,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.

(The purpose of the amendment is to increase the appropriation and bond authorization therein by \$11,525,000 from \$540,000 to \$12,065,000, to provide for the construction of the library, to authorize the issuance of private activity bonds, and to ratify, confirm and adopt all prior authorizations and ordinances in connection therewith.)

Ms. Papale said that Item 10 is a Public Hearing to be held in connection with the following ordinance. Ms. Papale read the ordinance title.

AN ORDINANCE AMENDING AN ORDINANCE APPROPRIATING \$540,000 FOR THE PLANNING AND DESIGN OF THE EXPANSION OF THE WALLINGFORD PUBLIC LIBRARY AND AUTHORIZING THE ISSUE OF \$540,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.

(The purpose of the amendment is to increase the appropriation and bond authorization therein by \$11,525,000 from \$540,000 to \$12,065,000, to provide for the construction of the library, to authorize the issuance of private activity bonds, and to ratify, confirm and adopt all prior authorizations and ordinances in connection therewith.)

Chairman Vumbaco convened the Public Hearing for the \$12,065,000 appropriation and bond authorization for the Wallingford Public Library expansion and renovation consisting of an amendment to the existing \$540,000 ordinance. The ordinance, which is the subject of this Public Hearing, is available to the public and may be obtained at the meeting from the Town Clerk.

Are there a motion and a second to read the title and the Section 1 of the ordinance as it is proposed and to waive the reading of the remainder of the ordinance incorporating its full text into the minutes of this meeting?

Ms. Papale made a motion to read the title and the Section 1 of the ordinance as it is proposed and to waive the reading of the remainder of the ordinance incorporating its full text into the minutes of this meeting. **Mr. Farrell** seconded.

Chairman Vumbaco asked for a Roll Call Vote.

ROLL CALL VOTE:

**DiNatale – yes; Doherty – yes; Farrell – yes;
Knight – yes; Papale – yes; Parisi – yes;
Spiteri – yes; Testa – yes; Vumbaco – yes**

Chairman Vumbaco said, "The motion passes."

Ms. Papale read the title and Section 1:

AN ORDINANCE APPROPRIATION \$12,065,000 FOR THE EXPANSION AND RENOVATION OF THE WALLINGFORD PUBLIC LIBRARY AND AUTHORIZING THE ISSUE OF \$12,065,000 BONDS OF SAID TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.

Section 1. The sum of \$12,065,000 is appropriated for the planning, acquisition and construction of the expansion and renovation of the Wallingford Public Library (hereafter the "Project"). The Project includes an addition to the existing structure, space reallocation, HVAC systems, electrical and

communication systems, plumbing, fire alarms and protection systems, roof systems, new underground storm water detention system, paving, landscape development and site work, moving expenses and temporary space, furniture, fixtures, equipment, computers and related services, appurtenances and improvements, or so much there of as may be accomplished within said appropriation, and for architectural, engineering and consultant fees, administrative, printing, legal and financing costs related thereto. Said appropriation shall be inclusive of local fundraising donations to the Town for the benefit of the Project and all State and Federal grants-in-aid thereof.

Chairman Vumbaco said that this is a Public Hearing, and he called for comments from the Public.

Mary Heffernon, 168 East Side Drive, referred to *Vision Wallingford Plan of Conservation and Development* pg. i., which states that the town should support the library expansion efforts and is part of the short-term plan. She asked how much more in taxes the average resident would have to pay if this project goes forward.

James Bowes, Comptroller, said that the revaluation numbers aren't in. **Chairman Vumbaco** asked him if he could come up with an approximate figure. **Mr. Bowes** said that he would do that.

Paul Ciardullo, Sr., 2 Bayberry Drive, (*who spoke after Gerald Reed*) opposed the expansion of the library to hold the line on the property taxes and said that he is unwilling to support one incremental dollar until leadership at city hall can demonstrate to him as a taxpayer. He said that we don't need the space because the libraries in the schools, the Senior Center and in Yalesville are meeting the needs of the people

The following people spoke in favor of the library project to the Town Council.

Al Mueller, 14 Elmwood Road

Sandra Weekes, 892 Clintonville Road

Matt Bailey, 20 Grove Street

Tony Terzi, High Hill Road

Jani Shaver, 108 Mohawk Drive, spoke about the making of the two, unique historic quilts hanging in Town Hall and that the

information in them came from the librarians at the Wallingford Public Library.

David Baxter, 6 Clear View Drive
Kelly Small, 37 Beaumont Avenue
Julie McIntyre, 66 Spice Hill Road
Diane Hotchkiss, 38 Clifton Street
Gerald Reed, 405 South Main Street
Marie Del Greco, Summitt Drive
Christine Muskowski, 875 East Center Street
Craig Self, 101 Grieb Road
Jack Winkleman, 141 South Airline Road
Diane Lendler
April Regan, 89 Rock Hill Road
Lyvia Miranda Killen, 196 South Whittlesey
Trish Niece, 810 North Farms Road
Jane Rizzo, 390 North Main Street
Richard Rizzo, 390 North Main Street
Virginia Tole, 11 Wooding Road
Jim Fitzsimmons, 408 South Main Street
Karen Caplan, 88 Long Hill Road

Mr. Bowes said that there are approximately 15,000 residential houses, and if we bond for twenty years would come to somewhere in the neighborhood – these are just bal park estimates right now – some \$16.5 million or about \$1,200 per house over 20 years.

Chairman Vumbaco said that would be about \$60 per year and **Mr. Bowes** said that that was correct.

Bob Applegate, 1 Perkins Drive, asked why **Mr. Bowes** wasn't considering businesses in the increase in taxes since businesses also pay taxes and that would decrease the amount. **Mr. Bowes** said that including businesses would bring the figure to about \$55. **Mr. Applegate** asked what is the ratio between residential property and commercial property or the tax base of residential and commercial. **Mr. Bowes** said that after revaluation residential makes up about 76% of real estate taxes. This brings the household tax then to about \$45.

Chairman Vumbaco asked if there was anyone else who would like to address the Council. There were none so he closed the Public Hearing. He asked for a motion and a second that the ordinance entitled:

AN ORDINANCE AMENDING AN ORDINANCE
APPROPRIATING \$540,000 FOR THE PLANNING AND
DESIGN OF THE EXPANSION OF THE WALLINGFORD
PUBLIC LIBRARY AND AUTHORIZING

Chairman Vumbaco stopped reading to ask the bonding attorney if the title was correct and that he thought the Council was authorizing \$12 million this evening. He said that he wants to do it correctly

Attorney Joseph Fasi said that he was and that the Council is amending an existing ordinance that is \$540,000 or the ordinance that is being acted upon is the amending ordinance.

Chairman Vumbaco began again asking for a motion and a second that the ordinance entitled:

AN ORDINANCE AMENDING AN ORDINANCE
APPROPRIATING \$540,000 FOR THE PLANNING AND
DESIGN OF THE EXPANSION OF THE WALLINGFORD
PUBLIC LIBRARY AND AUTHORIZING THE ISSUE OF
\$540,000 BONDS OF THE TOWN TO MEET SAID
APPROPRIATION AND PENDING THE ISSUANCE
THEREOF THE MAKING OF TEMPORARY
BORROWINGS FOR SUCH PURPOSE

be adopted.

Mr. Farrell said so moved and **Mr. Parisi** seconded.

Chairman Vumbaco asked for Council discussion.

Mr. Farrell remembered the Simpson Court library of his childhood and said that even then, thirty years ago, the library did not have adequate space for the children's programs. He noted that the same is true today in that the programs that are offered fill quickly and are hard to get into. He said that reading and education are lifelong endeavors and that the library serves children and all ages of adults and that during the day the library is filled with senior citizens. He toured the library five or six years ago and saw first-hand how crowded the library was at that time, and he hopes that further time will not pass without library increasing the library space.

Mr. Parisi said that he has had calls from people who have asked him if he can help them get their children into the programs at the library. He said that it is obvious that the library enjoys excellent attendance and he thinks that this is in good shape.

Mr. Knight said he has many reasons for being a proponent of the library expansion that goes back to the time the Committee was established. He said that one of his primary interests as a legislator of the Town of Wallingford has been in the area of providing community locations where the residents of Wallingford can get together. He said he worked on the Pool Committee and the Senior Center Committee and now he is pleased to add his support to the Library Committee. He said that he believes that no community can have enough places where all of us can have the opportunity to get together and mingle and get that sense that we belong to a very special place and indeed we do as residents of the community of Wallingford. The library, the school and several other parts of town government reflect the success of a community, and the library is certainly one of those. He said that when he moved here in 1986 one of the first things he did was to go to the library and it left an impressive view of this community on him and the community's willingness to back up facilities such as the library with its tax dollars. He said that he will vote to go forward at this time and part is the sense of community and part of his decision is hard economics. He said that he understands what the Mayor has said. He said that we all understand up here and that it is our responsibility to understand the tax ramifications for our actions. He said that he doesn't believe there is an economic benefit to delay the project by several years. He referred to an email that he received from a member of the Committee, Fred Page, former President of SNET, who said that in his view that a four-year delay in the library expansion project could cost the taxpayer an additional \$6-8 million, and if interests rates increase, then several million dollars more could be added to the taxpayers burden. He gave testimony to Mr. Page. He said that in this knowledge-based community, he considers the library to be one of the lynchpins to the success of the residents ten, twenty, thirty, forty and fifty years from now. He said it's an investment in our future

Ms. Papale said that it has been an interesting evening listening to almost everyone speak in favor of expanding the library now. She said that it is important to remember that we wouldn't be here if we didn't need this expansion. She said she has heard by letter and by telephone from many people who support the expansion. She said that the increase in taxes is "not too bad." She said that she spoke to a librarian who said that Wallingford has one of the most beautiful and one of the best libraries in the state. She said that it's going to get better and that this is going to pass tonight. She said that it bothered her that waiting 90 days would cause a loss of \$500,000 in state funds. She wished the Committee luck and asked that they keep the Council posted. She said she is glad to be a part of this project as a Council member.

Mr. Testa said that it's rare to look out and see such a cross-section of the town with such favorable input on something that the Council is considering. He said that it is the cross-section that has impressed him. He said that he is fully in favor of this project and will vote for it. He said to the people watching that the tax increase for this project has not been taken lightly. He said there has been discussion of the overall cost given the projects that have been taken on including the school renovation project, open space purchase, potential small cost of our share of the Vo-Ag building project and then the cost of the library. Mr. Vumbaco had a bond repayment schedule produced and it said that our debt service is at a point where it is dropping, and in 3 or 4 years, it will be lower than it is today. He said that looking at the whole picture he respects the views raised by the administration but that he can look at the numbers and say, OK, given that, is the return on investment worth it? And then when you consider that if this is put off, there is a dramatic increase in the cost. He said that we have a gift in that it is coming in lower than they had hoped so he thinks that the town can afford it and that it will have a minimal impact on the taxpayer. He said it is a worthy expenditure, and he is proud to be in a position to support it.

Ms. Doherty thanked the Library Expansion Committee for working so diligently over the last few years. She said that they have shown a concerted effort to accommodate the Council's concerns. She said that it is difficult to approve this when the school renovation project is still incomplete but that she feels to delay the expansion would

only increase the price tag. She said that she would be voting for this. She asked the Committee to continue with their fund raising efforts.

Chairman Vumbaco also acknowledged Fred Page's contribution to the expansion project. He said that he has heard from many residents about supporting this measure and that he was proud to tell them that he supports this expansion. He said he remembers in 1982 the concern about expenditures in expanding the library at that time and about the design fitting in with North Main Street. He said that the town survived that expansion. He said that he has performed his own financial analysis and that he does not feel that spending \$11 million on the current project will ruin the financial health of this community at all. He thanked the library for what it has provided to his family and he said that he is happy to support this project 100%.

He said we have a motion and a second and he called for a roll call vote.

ROLL CALL VOTE:

DiNatale – yes; Doherty – yes; Farrell – yes;
Knight – yes; Papale – yes; Parisi – yes;
Spiteri – yes; Testa – yes; Vumbaco – yes
9-yes

Chairman Vumbaco said, "I declare the ordinance unanimously approved."

(Cheers and applause)

11. Resolution authorizing the Mayor to enter into a contract with the Connecticut State Library for a State Public Library Construction Grant – Don Roe Grants Administrator

Ms. Papale made a motion authorizing the Mayor to enter into a contract with the Connecticut State Library for a State Public Library Construction Grant **Mr. Parisi** seconded.

By voice, all voted aye, and the motion passed.

12. Consider and Approve Extending the Wallingford Public Library Expansion Committee's charge to include oversight of the construction phase. – Chairman James M. Vumbaco

Ms. Papale made a motion to Approve Extending the Wallingford Public Library Expansion Committee's charge to include oversight of the construction phase. **Mr. Testa** seconded.

Mr. Knight took the opportunity to thank the Committee for all of the work that they have done, and especially to Co-Directors Karen Roesler and Leslie Scherer.

By voice, all voted aye, and the motion passed.

13. Consider and Approve an Intermunicipal Agreement between the City of Meriden and the Town of Wallingford for property at 4 Midland Drive – Water & Sewer Divisions

Ms. Papale made a motion to Approve an Intermunicipal Agreement between the City of Meriden and the Town of Wallingford for property at 4 Midland Drive. **Mr. Parisi** seconded.

Roger Dann, General Manager, Water-Sewer Divisions, said that the agreement is straight forward and deals with an intermunicipal agreement between the Town of Wallingford and the City of Meriden which would allow for one residential property to be constructed and to obtain its water and sanitary sewer service from the Meriden system until such time as the Wallingford system is extended at which time Wallingford has to option of recovering this customer should the town so choose. He said this is a residential property.

There was no discussion.

By voice, all voted aye, and the motion passed.

14. Consider and Approve a Resolution Authorizing the Mayor to Enter into and Amend Contractual Instruments in the Name of and on Behalf of the Wallingford Community Day Care Center, Inc. with the Department of Social Services of the State of Connecticut for a Child Day Care Program - Mayor

Ms. Papale made a motion to Approve a Resolution Authorizing the Mayor to Enter into and Amend Contractual Instruments in the Name of and on Behalf of the Wallingford Community Day Care Center, Inc. with the Department of Social Services of the State of Connecticut for a Child Day Care Program.. **Mr. Parisi** seconded. **Kathy Queen, Executive Director, Wallingford Community Daycare Center**, explained that they are seeking approval of their state grant that provides state funding for a portion of the program that they operate. She said it is an essential part of the program because it funds the low and moderate-income working-parent families that they serve.

Chairman Vumbaco acknowledged the wonderful work that the Wallingford Community Daycare Center does, and he thanked Ms. Queen.

Ms. Queen said thank you and that they are very proud of the program that they have and have recently become accredited by the National Association for the Education of Young Children, making them one of only four centers in Wallingford to have that distinction. She said most importantly that the state-funded centers are on the leading edge for early child education and that they have done it on less money for a longer period of time than anybody can imagine. She said that finally they are getting recognition for that so they appreciate the support of the Town of Wallingford.

There was no other discussion.

By voice, all voted aye, and the motion passed.

15. Consider and Approve an Agreement between the Town of Wallingford and the Wallingford Community Day Care Center, Inc., Recognizing the Town had Executed a Contract with the State of Connecticut Commissioner of Social Services for Funding Programs to be carried out by said Day Care Center Acting on Behalf of the Town - Mayor

Ms. Papale made a motion to Approve an Agreement between the Town of Wallingford and the Wallingford Community Day Care Center, Inc., Recognizing the Town had Executed a Contract with the State of Connecticut Commissioner of Social Services for Funding Programs to be carried out by said Day Care Center Acting on Behalf of the Town. **Mr. Parisi** seconded.

There was no discussion.

By voice, all voted aye, and the motion passed.

16. Consider and Approve a Resolution Permitting the Wallingford Community Day Care Center, Inc. to Borrow from the Town of Wallingford Amount necessary to meet the essential operation expenses of said day care center prior to the time its program is approved for funding from the State of Connecticut – Mayor

Ms. Papale made a motion to Approve a Resolution Permitting the Wallingford Community Day Care Center, Inc. to Borrow from the Town of Wallingford Amount necessary to meet the essential operation expenses of said day care center prior to the time its program is approved for funding from the State of Connecticut **Mr. Parisi** seconded.

There was no other discussion.

By voice, all voted aye, and the motion passed.

WAIVE RULE V

Consider and Approve a Transfer in the Amount of \$5,000 to Vo-Ag Building Acct. # 001-1403-999-9902 from Acct. # 001-7060-800-3190 – Mayor

Ms. Papale made a motion to Waive Rule V to Approve a Transfer in the Amount of \$5,000 to Vo-Ag Building Acct. **Mr. Parisi** seconded.

There was no other discussion.

By voice, all voted aye, and the motion passed.

Ms. Papale made a motion Approve a Transfer in the Amount of \$5,000 to Vo-Ag Building Committee from Contingency presented by the Mayor

Mr. Farrell left the meeting at 8:55 P.M.

James Vitali, Vocational Agricultural Building Committee, said that they are up and running and have discovered that they need a recording secretary and they have no money so they are asking for some funding to get a secretary on board. He said that they want to take advantage of all of the Committee's energy and to meet every week.

Chairman Vumbaco announced that Mr. Vitali has agreed to be the Chairman of this committee and has agreed.

There was no other discussion.

By voice, all voted aye, and the motion passed.

17. Executive Session pursuant to Section 1-200 (6) (D) of the Connecticut General Statutes with respect to the purchase, sale and/or leasing of property – Mayor

Withdrawn

18. Executive Session pursuant to Section 1-200 (6) (B) of the Connecticut General Statutes regarding strategy and negotiations with respect to the pending tax appeal matters of Wallingford Energy, LLC v. Town of Wallingford; PPL Wallingford Energy, LLC v. Town of Wallingford; and PPL Leasing Company, LLC v Town of Wallingford – Law Department
19. Executive Session pursuant to Section 1-200 (6)(B) of the Connecticut General Statutes to discuss pending litigation in the matter of Cytex Industries, Inc. v. Town of Wallingford – Law Department

Ms. Papale made a motion to enter into Executive Session pursuant to:

18. Section 1-200 (6) (B) of the Connecticut General Statutes regarding strategy and negotiations with respect to the pending tax appeal matters of Wallingford Energy, LLC v. Town of Wallingford; PPL Wallingford Energy, LLC v. Town of Wallingford; and PPL Leasing Company, LLC v Town of Wallingford
19. to Section 1-200 (6)(B) of the Connecticut General Statutes to discuss pending litigation in the matter of Cytec Industries, Inc. v. Town of Wallingford.

Mr. Parisi seconded.

By voice, all voted aye except Mr. Farrell, who was absent. The motion passed.

The Council entered into Executive Session at 8:55 P.M.

Ms. Papale made a motion to exit from Executive Session.

Mr. Parisi seconded

By voice, all voted aye except Mr. Farrell, who was absent. The motion passed.

The Council exited from Executive Session at 9:20 P.M.

Item # 18

Executive Session Attendance: Council (8), Mayor Dickinson, Town Attorney Janis Small and Comptroller James Bowes.

Item # 19

Executive Session Attendance: Council (8), Mayor Dickinson, Town Attorney Janis Small and Comptroller James Bowes.

20. Discussion and Possible Action regarding the pending Tax Appeal matters of Wallingford Energy, LLC v. Town of Wallingford; PPL Wallingford Energy, LLC v. Town of Wallingford; and PPL Leasing Company, LLC v. Town of Wallingford as discussed in Executive Session – Law Department

Ms. Papale made a motion to authorize the Town Attorney to settle the PPL cases as discussed in Executive Session. **Mr. Knight** seconded.

By voice, all voted aye except Mr. Farrell, who was absent. The motion passed.

21. Discussion and Possible Action regarding pending litigation in the matter of Cytec Industries, Inc. v. Town of Wallingford as discussed in Executive Session– Law Department

Ms. Papale made a motion to authorize the Town Attorney to settle the Cytec Industries, Inc. case as discussed in Executive Session. **Mr. Parisi** seconded.

By voice, all voted aye except Mr. Farrell, who was absent. The motion passed.

Ms. Papale said for the entire Council she welcomes Mr. Spiteri back and happy that he is feeling better and she told him that they appreciate all the work that he has done on the Council and hopes that he feels better for a long time. She next acknowledged Chairman Vumbaco thanking him for the last two years and she wished him much luck in his future endeavors. She said that they would miss both of them.

Ms. Papale wished everyone happy holidays and made a motion to adjourn the meeting. **Mr. Parisi** seconded.

By voice, all voted aye except Mr. Farrell, who was absent. The motion passed.

There was no further business to consider. The meeting adjourned at 9:21 P.M.

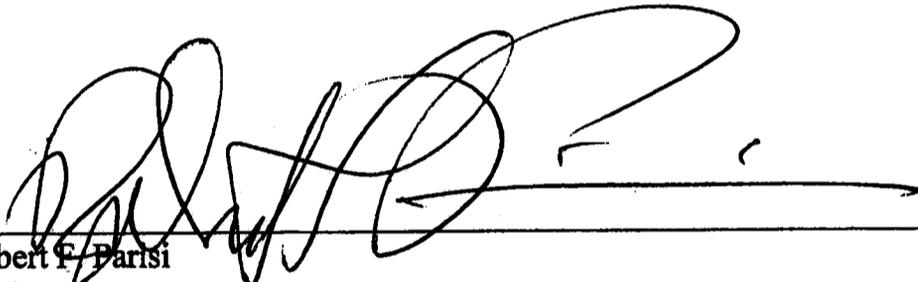
Respectfully submitted,

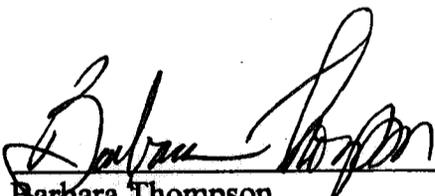


Sandra R. Weekes
Town Council Secretary

Meeting recorded and transcribed by Sandra R. Weekes

Approved by:



Robert F. Parisi
Chairman
Date: 7/25/06

Barbara Thompson
Town Clerk
Date: 7/25/06

RECEIVED FOR RECORD 7/24/06
AT 2 H 50 M P M AND RECORDED BY
Barbara Thompson TOWN CLERK

AN ORDINANCE AMENDING AN ORDINANCE APPROPRIATING \$540,000 FOR THE PLANNING AND DESIGN OF THE EXPANSION OF THE WALLINGFORD PUBLIC LIBRARY AND AUTHORIZING THE ISSUE OF \$540,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

An ordinance entitled "An Ordinance Appropriating \$540,000 For The Planning And Design Of the Expansion Of The Wallingford Public Library And Authorizing The Issue Of \$540,000 Bonds Of The Town To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose" adopted by the Town Council on June 17, 2003 and August 17, 2004, which ordinance is hereby ratified, confirmed and adopted, is amended to increase the appropriation and bond authorization therein by \$11,525,000, from \$540,000 to \$12,065,000, and to provide for the construction of the library, as follows:

Section 1. The title of the ordinance is amended to read as follows:

"AN ORDINANCE APPROPRIATING \$12,065,000 FOR THE EXPANSION AND RENOVATION OF THE WALLINGFORD PUBLIC LIBRARY AND AUTHORIZING THE ISSUE OF \$12,065,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE"

Section 2. Section 1 of the Ordinance is amended by substituting the following:

"Section 1. The sum of \$12,065,000 is appropriated for the planning, acquisition and construction of the expansion and renovation of the Wallingford Public Library (hereafter the "Project"). The Project includes an addition to the existing structure, space reallocation, HVAC systems, electrical and communication systems, plumbing, fire alarms and protection systems, roof system, new underground storm water detention system, paving, landscape development and site work, moving expenses and temporary space, furniture, fixtures, equipment, computers and related services, appurtenances and improvements, or so much thereof as may be accomplished within said appropriation, and for architectural, engineering, and consultant fees, administrative, printing, legal and financing costs related thereto. Said appropriation shall be inclusive of local fundraising donations to the Town for the benefit of the Project and all State and Federal grants-in-aid thereof."

Section 3. The first sentence of Section 2 of the Ordinance is amended by substituting the amount of \$12,065,000 for \$540,000, thereby making the first sentence of Section 2 read as follows:

"To meet said appropriation \$12,065,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date."

Section 4. Section 7 is added to the Ordinance as follows:

"Section 7. It is hereby found and determined that the issue of all, or a portion of, the Bonds, Notes or other obligations of the Town authorized to be issued herein as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation, is in the public interest."

**JOINT MEETING
TOWN COUNCIL
&
PUBLIC UTILITIES COMMISSION**

Tuesday, December 20, 2005

The Public Utilities Commission held a joint meeting with the Town Council on Tuesday, December 20, 2005 at the Town Council Chambers, 45 South Main Street, Wallingford, Connecticut. The meeting was called to order at 6:40 p.m.

PRESENT: Chairman Richard Nunn, Commissioner David Gessert, Commissioner George Cooke (absent), Director Raymond Smith, Electric Division General Manager Richard Hendershot, Electric Division Office Manager Thomas Sullivan, Water and Sewer Divisions General Manager Roger Dann, Recording Secretary Beth Dighello

Town Council: James M. Vumbaco (absent), Vincenzo M. Di Natale (absent), Lois Doherty, Gerald E. Farrell, Jr., Stephen W. Knight, Iris F. Papale, Robert F. Parisi, Michael Spiteri (absent), Vincent F. Testa, Jr.

Mayor William W. Dickinson, Jr.

1. Pledge of Allegiance

2. Roll Call

Present for Town Council: Ms. Doherty, Mr. Farrell, Mr. Knight, Ms. Papale, Mr. Parisi, Mr. Testa

Absent for Town Council: Mr. Di Natale, Mr. Spiteri, Mr. Vumbaco

Present for PUC: Mr. Nunn, Mr. Gessert

Absent for PUC: Mr. Cooke

3. Presentation by CMEEC and Electric Division representatives regarding possible re-powering of the Alfred L. Pierce Station

Mr. Nunn introduced Ray Smith, Director of Public Utilities. Mr. Smith explained that the overhead being shown was a picture of the original Pierce Station as it appeared prior to the year 2000. In June 2000 the Pierce Station produced its last electron. In 2001 the old generating station was dismantled and the majority of the equipment was removed. He said the old cooling tower was the first piece to go as part of the PP&L construction program. For several years we have tried to find an alternative use for the building. We have talked with Public Works, the Police Department, and several agencies to see if we could find an occupant for the building. We were unsuccessful. However, today we think we have a use for that sight, a generating station. Electricity prices are rising very rapidly throughout New England. Southern New England has experienced some of the most rapid rise in prices. Looming on the horizon are some more cost increases. LICAP (Locational Installed Capacity) and RMRs (Reliability Must Run) contracts are products that will cost electric consumers more in the future. CMEEC, our wholesale provider, is committed to providing the lowest cost power that they can achieve. We have an opportunity to help control the price increases. Part of the plan is the re-powering of the Pierce Plant. Mr. Smith said it is important to understand that this project would be different from the PP&L project. When PP&L came along, we leased them part of this property. Their goal was to make money. On the other hand, CMEEC's goal is to represent the municipal customers including Wallingford. CMEEC is looking to own and operate an 80-85 megawatt peak shaving generator in the old Alfred Pierce building and lease the property from the Electric Division.

Mr. Smith introduced Mr. Maurice Scully, Executive Director of CMEEC and Gabe Stern, Project Director for CMEEC.

Mr. Scully stated that in 1995 Wallingford first participated with CMEEC. At that time Wallingford had a contract with CL&P. In that contract Wallingford was paying for both the energy that they received and capacity. Capacity means that they were paying basically a charge to support the generating stations that were built, not the production of energy. That was a fairly significant charge. There were a lot of changes including deregulation and the market went topsy turvy. Prices changed in terms of how dollars were collected. They were not collected in the capacity costs any more. They were collected in the energy markets. Units such as the nuclear units that ran all the time were making lots of money. Those units that ran 100 hours or less did not make money. They then said they needed a capacity charge. Right now in this market the charge that Wallingford pays for capacity is about 30 cents per kilowatt each month. That is not a

huge amount of money. If you multiply that by about 100,000 kilowatts that Wallingford uses that is what is paid for capacity. We think that the capacity charge may go up to about \$6 per kilowatt. That is a 2,000 percent increase in the capacity cost. This is driven by policy from Federal regulators and ISO New England saying that if we want to keep all these generating units we need to pay them a certain amount of dollars to ensure that they will survive and have financial viability. We see these costs going up in the future. This will mean higher prices for everybody. CMEEC's Board of Directors has asked what we can do to mitigate these costs for the benefit of all the municipal utilities. CMEEC's goal is to provide the lowest cost of reliable power. Given CMEEC's tax exempt status and the opportunity with the existing site in Wallingford, we have an opportunity to put in a peaking unit. The peaking unit will not operate a lot of hours, probably one hundred hours or less. We will have to pay the capacity cost to someone if we do not build generation ourselves. The basic fundamental economics is if we can do it at tax exempt rates we can do it at approximately half the cost that a private enterprise could do it. All that benefit goes back to the consumers to help keep the cost low. We have seen cost increases, a lot of which are driven by policy issues. We would like to gain some control back. We do not want to be subject to market forces. This is an opportunity to help stem increases in costs and to gain some control back.

Mr. Testa asked if the 30 cents per kilowatt would be on a monthly basis. Mr. Scully replied it was on a monthly basis. Mr. Testa asked what Wallingford's load is on average. Mr. Scully replied that it is about 90,000 kilowatts per month on average. Mr. Testa asked if CMEEC expects that it could go up to \$6 per kilowatt. Mr. Scully replied that is CMEEC's best estimate of what will happen. He said there are filings that the Federal regulators have asked ISO New England to make to basically come up with a mechanism to pay for this capacity. That is all in the process of being negotiated now. It could be even higher than the \$6 per kilowatt.

Mr. Knight asked Mr. Scully to explain who the capacity fee is charged to. Mr. Scully explained that in 1995 we had a contract with CL&P in which we in Wallingford were paying CL&P about \$6 for capacity. Back in the old days, before deregulation, there was a value ascribed to capacity. Then in 1999, with deregulation, more of the money collected by these generators was from the energy markets. The more they produced in terms of energy the more money they made. Right now the value of capacity is at 30 cents per kilowatt per month. In the old days there was a value for capacity. The markets deregulated and capacity was given zero value. Now they are changing back to a value for capacity which customers will pay if you want to ensure there is sufficient generation in the state.

Mr. Knight asked if when the Pierce Plant was operating we paid someone in order to keep the plant going. Mr. Smith said we actually avoided some capacity charges. For the ability to stand by we avoided some costs.

Mayor Dickinson asked if the transmission line project is virtually a guaranteed revenue stream. Mr. Smith replied that the DPUC will have to make sure that the monies are collected for the transmission project. Mayor Dickinson asked who recovers the monies, is it the companies who sell the electricity not generate it. Mr. Smith responded that CL&P as a transmission operator will recover those monies. CL&P is making the investment and will have to recover it. That will be another part of the energy bill. Besides the distribution charge and the generation charge, there is a distribution charge existing today. Mayor Dickinson asked if it is coming from the franchises out there. Mr. Smith said the transmission is not exclusive to the franchise. It is a Connecticut charge. It will be charged to rate payers buying power in Connecticut who use those lines to get energy whether it is in UI territory, CL&P territory or Wallingford. The Mayor said that is a guaranteed return from anyone who builds those lines because that is visited upon their franchise area.

Mr. Scully said it is as close as you can get to a guaranteed return. He also said CL&P has the right to build transmission anywhere in Connecticut. CL&P has split themselves into a distribution company and a transmission company. The transmission does not get regulated at the state level. The transmission is already regulated at the federal level. The generation piece is not regulated at all.

Mayor Dickinson asked how they can be certain that the charges for the transmission will appear through the distribution company's franchise. Mr. Scully said once the federal regulators approve these charges the DPUC can not say they will not allow it. The federal regulators trump the DPUC's ability to do anything on the transmission piece. If the federal regulators approve it, the DPUC has no options legally except to pass along what those federal regulators have approved. Mayor Dickinson said it is virtually a guaranteed payment for whatever those costs are for that line. Mayor Dickinson said on the generation side it is an open market and there is no guarantee. If your price is too high from your plant theoretically no one would buy energy from your plant, so you do not have revenue and you can not pay for your plant. Mr. Scully said if a plant does not operate more than 100 hours per year and the only way to get revenue is through the energy, without the capacity market you simply will not make enough money to cover the cost of debt. Mayor Dickinson said it is totally within the judgment of the Board of Directors of a given project as to whether or not they want to take that risk. He said no one is mandating that a generation

plant be built somewhere. Mr. Scully replied that that is correct, no one is ordering generation plants be built. Mr. Scully said that back in 1999 when all the generation was sold off to private companies, if they didn't make money it was their burden. The private companies then came back and said they were not making money and if they were not paid they would shut down the units. Then there would be no electricity. Then ISO New England said they could not allow the generators to shut down because reliability is most important. It then turned into almost another form of fixed payments to those generators that didn't make enough money in the marketplace.

Mayor Dickinson said that with this project we are recognizing that the risk in general of building a generation plant without a guaranteed revenue stream is too high and, therefore, it is not happening. Mr. Scully said in the marketplace right now there is not appropriate recognition of the need for peaking units nor a way to fairly compensate those peaking units. The nuclear units are doing just fine because they operate seven days a week, twenty four hours a day and they make money. The peaking units do not operate like that, so there must be some other form of revenue in order to have them financially viable.

Mr. Scully explained why the peaking units are necessary. He said in the case of Wallingford, on the hottest day of summer, Wallingford's load will go up to 135 megawatts. On that same day the lowest load, perhaps at 2:00 a.m., may be 70 megawatts. During that one day there is a jump from 70 to 135, almost a doubling of the load. That is why you need these peaking units to be available. It supplies a real need, but the need is there for just a very short time.

Mayor Dickinson asked if we are recognizing that the electric rates in the current market are too low to encourage or to enable the building of generation plants.

Mr. Scully replied that he doesn't feel the rates are too low, but that they are dysfunctional. He said some of the units that operate all the time are getting paid more than enough money. Those units that don't operate at that level are not getting paid enough money. Perhaps the total dollars being paid out are adequate, but their allocation is not just and reasonable.

Mayor Dickinson asked if we take out the subsidies, RMR and LICAP, are we saying that the electric rates are too low to encourage or enable the construction of new generation plants.

Mr. Smith responded that was correct. He said no one at this time is actively pursuing the construction of a new plant. They can not get financing. Financers are looking for what the revenue streams will be in order to assure that they will be able to pay that capital back. With the

current system there is no assurance that that will happen. The system today is not allowing people to get the revenues they need to make it worthwhile to build new plants.

Mayor Dickinson asked if there is a problem in the business because in a short period of time suddenly the prices must skyrocket in order to have a dependable supply of electricity.

Mr. Smith said the short answer is yes. Unless the price is high enough there is no incentive to build more supply. Before deregulation, the utilities like CL&P would have to make sure that there was sufficient generation capacity to meet the demands of their system. They no longer have that responsibility. They must go out and make contracts with people who are supposed to be in business for that purpose. There is no guarantee like there was before deregulation that the plant owner would be reimbursed for his investment.

Mr. Gessert said there are two parts to that. First, they had to guarantee to provide enough electricity for the consumers in the state of Connecticut. They were then guaranteed a return for having done that. Those two components changed.

Mayor Dickinson asked if the project being proposed would be viable if the capacity payments disappear.

Mr. Scully responded yes. He believes it will be viable and the project is in the best interest even if the markets do not go in the anticipated direction and they collapse.

Mr. Gabe Stern, Director of Planning and Project Development for CMEEC, began his presentation. He said basically the situation we face is not terribly different than ten years ago. When you looked at Wallingford's situation there were some fundamental choices. You could either buy power or you could make power. At that time, Wallingford did both. The Pierce Plant was maintained because for certain aspects of the power needs it was the lowest cost way to meet a portion of our needs. It was more cost effective to buy the base piece of power from CL&P. Over the years it got to the point where it became too costly to keep the Pierce Plant up and running. With deregulation pending there was a boom and bust. It made more sense for Wallingford to go through CMEEC for its power. We went to an all buy mode in 2000. Things have changed and CMEEC is in the process of examining a build option. Should we own some assets to meet the collective needs of the municipal systems? The answer seems to be yes. About the time we were looking at this option, Wallingford came to the conclusion that there was not a strong alternative use for this facility. CMEEC has been collaborating with the Electric

Department. CMEEC hired an engineering firm to conceptually look at the project. We asked them how we can get the most capacity for the lowest amount of dollars. We want it to fit into this station, without changing its appearance and without introducing environmental impact. We want it to be cost effective and to improve the competitive position of Wallingford and the other municipal systems. We started on the that search a while back. We asked the engineers to do a preliminary feasibility study. Mr. Stern showed pictures of what the plant looks like today. The design that the engineer came up with is a single, large unit. He then showed a picture of the interior design of the plant. He said in the old plant there were three units that ran perpendicular to East Street. In the back there were large boilers. The turbine floor was a floating floor, independent of the rest of the building. All of that has been removed. The engineer said if you take out the floating turbine floor, and put in a new modern unit parallel to East Street you can put in a Frame 7EA unit. This unit has been around for about twenty years and has an average output of about 80 megawatts. The old plant had an average output of about twenty megawatts. On a cooler day the new unit will approach about 100 megawatts. On a very hot day it will output about 76-77 megawatt range. The engineer said it is a good fit. The engineer laid out the interior of the building. The center structure is the generator and the turbine. There is an exhaust whose stack initiates inside the building and escapes through a height still to be determined, but not higher than 40 feet outside the building. That would be the biggest visual impact to the building. The new structure in the back would be the air intake. It is large in order to keep the noise from the building down. It would be a dual fuel facility. There is already natural gas on the site. We would simply tap into the line that already comes through the property and bring it to the plant. Unlike the PP&L plant, this engine's characteristics are such that the gas does not need to be compressed. The other aspect of the plant is that it is a dual fuel plant. This gives it a lot of reliability and economic advantage. We would put five 20,000 gallon tanks in the building. It would be filled just like at a home. At times when gas is interrupted because of regional interruption, this unit could run on oil fuel that is in there for up to twelve hours. This unit burns about one tanker truck of oil per hour.

Mr. Stern said the changes to the old plant would be the stack, the air inlet and a transformer placed behind a brick wall. He said they would attempt to make this a black start unit. That means if power is lost to the grid, the plant can be jumpstarted by units on the John Street site. There is additional backup.

Mr. Stern went on to discuss who would own this project. He said CMEEC would finance and own the project. Wallingford and the other municipalities would participate in the project. If Wallingford elects to participate in a load ratio share, roughly a third of the output would serve

Wallingford's need. This would be about 25-30 megawatts. This would fill a pretty good piece of Wallingford's floating demand. Wallingford would provide a 20 year lease for the building.

Mr. Stern said CMEEC became aware of a unit offering that was an exact fit to what the engineers identified as the best fit. That unit was originally ordered three or four years ago, but was never installed or used. The owner got into a situation where they could not afford to continue the project. This type of opportunity makes this project very viable. We can get in at a very competitive price.

He said we have a long way to go on this project and we need your support. There are lot of regulatory issues. All of this will take time, effort and commitment. However, as projects go, it could be a relatively fast track project. This project could be up and running before the summer of 2007, depending on the permitting.

Mr. Sterns went on to talk about the environmental impact of the project. He introduced Michael Anderson of TRC Environmental. Mike was the environmental scientist involved with the PP&L project. He is intimately familiar with the site. He has assisted CMEEC with questions of feasibility. Can we put this plant in and meet stringent emission requirements? Can we put this in and not adversely affect noise levels? Mike has responded that the answer to those questions is yes. This project can be made compatible to the neighborhood.

Mr. Sterns asked if there were any questions. Ms. Papale asked for questions from the Council.

Mr. Knight asked if the Wallingford Electric Division would be receiving power directly from this plant.

Mr. Scully replied that CMEEC interfaces with Wallingford and the grid, receives bills and pays bills. Each municipal utility pays their share of the bills. There are two books. CMEEC gets charged for the load every day at some ISO rate based on the market. On another ledger, CMEEC gets compensated for any assets offered to ISO. In accounting terms it is not a direct supply. Our thought is that we can develop this asset at a relatively low cost and be compensated at a much higher cost. The net effect on your bills is better than if we did nothing and simply accepted the ISO charges. It would also be better than if we went to market and bought power from an independent producer to put into our power account.

Mr. Knight asked if when Wallingford needs to buy power we buy it on the market, not from this

plant.

Mr. Scully responded that ISO supplies your needs everyday, whether you invest in generation or you do nothing. If you do something they will compensate you. It is a net effect. In effect you are getting power from this plant. If we own this plant, it is registered to CMEEC and CMEEC's account at the ISO. If Wallingford is 35% of that, in turn it is your account at CMEEC. In effect your power is coming from this plant. CMEEC gets a revenue stream from this plant, whether it is running or not. It is recognized for its capacity value.

Mr. Smith said that electricity is a matter of measurements. It is all paper transactions. You can not follow each electron. On paper, what happens is the electrons leave our system, then we get other electrons that we pay for. That is what the exchange is all about through ISO. They are a clearinghouse. They make sure there is a balance between the buying and the selling. If you have assets, either contract or plant, you put it in there and you get compensated for that. As a buyer, you are buying out of the same marketplace through the clearinghouse.

Mr. Knight commented that this plant would operate much like a business. When it is profitable to fire up the plant and sell electrons onto the grid, that is when it will operate.

Mr. Smith responded that you can not look at this plant as a business like PP&L. The business of this plant is to try to keep municipal utility rate payers' costs down. The alternative is to go out and give more money to someone else who is doing the same thing. We are not out there looking to make profits. Any gains from the project will go to the rate payers.

Mr. Scully explained that there are two pieces to the electricity. One is the energy, the actual fuel in to produce the energy going out. For this project, it is probably not quite as efficient as the PP&L project. The actual cost of building it, covering the debt service, and the fixed cost is really the big portion of this. When you don't produce a lot of electricity, the economic advantage drives the difference. If this were a nuclear plant which operated 6,000 hours per year, you would want the most efficient producer of energy at the lowest possible cost. That is not how this project would operate, and that is not the need in the marketplace.

Mr. Knight asked if we are buying an electric plant or an opportunity to purchase power at a lower price. Mr. Scully said Wallingford is getting an opportunity to avoid paying someone else a higher price for the needed capacity. In the end, it is an asset that we own and have control over. We can use it to optimize the value and get the lowest possible cost for the ratepayers. It is driven

by operating the plant to get the lowest possible cost structure.

Mr. Parisi asked if all the members of CMEEC will benefit from this. Mr. Scully said that is correct. CMEEC represents the interest of the municipal utilities. CMEEC's responsibility is to buy and sell power in the most efficient way.

Mr. Parisi asked how each municipal utilities will benefit.

Mr. Scully said for this particular project each member, including Wallingford, will sign up to support a certain percent of the project. In the end, this will add up to 100 percent. Generally, those allocations are based on the need or load of the communities. Wallingford will probably represent about 32 percent. That means Wallingford would receive 32 percent of the benefits and pay 32 percent of the costs.

Mr. Parisi asked how Wallingford would pay CMEEC.

Mr. Scully responded that CMEEC would issue the debt and pay it back each month to the bondholders. CMEEC would have a budget for owning and operating the plant. Each member would then pay their pro rata share of those costs. The cost base is the same for each member. This project would be bonded over 9-10 years.

Mr. Parisi asked how much this project might cost.

Mr. Scully said the project is going out to a competitive bid and CMEEC is trying to get the best price in the competitive market. If he gave out the expected cost of the project, anyone hearing that will base their bid on that.

Mr. Parisi said he is not comfortable taking any action on the project without knowing any of the financial numbers.

Mr. Smith said the bill from CMEEC would be part of our power bill just as it is today. When CMEEC goes out and makes contracts or deals with other people, we don't see that. All we get is a bottom line number. There is some confidentiality on the table here. If necessary, we can move into Executive Session to disclose some numbers to the Council and the Commission. The vendor who is selling the generator does not want the numbers to be public knowledge.

Mr. Smith said all the Commission is seeking is to know if there is any overwhelming opposition to the project. If Wallingford is not willing to lease the land and to participate in this, CMEEC can go no farther. We will ask for the Commission to direct the staff of the Electric Division along with Town Attorneys Office to develop contracts. They will then be brought back before the Commission and the Council. There would be a lease agreement and a power contract. The two are separate. The lease agreement would be for use of the property over a twenty year period. The power contract would be a commitment to participate and be a buyer of the output of this project and pay the debt of this project for the 10 year bonding period. CMEEC needs that commitment to go to the bonding community. Mr. Smith said in his opinion, this is a good project for Wallingford and for the municipal systems in Connecticut.

Mr. Testa said we buy our power through CMEEC, a cooperative of municipal electric companies. He asked if CMEEC contracts on Wallingford's behalf for the power bought from ISO. Mr. Scully said that is correct.

Mr. Testa asked if the rates we pay are based on the negotiated costs from ISO. He asked how CMEEC would generate revenue from this project. Would it be through the periodic operation of the plant and the subsidies CMEEC receives because it now has operational capacity. Mr. Scully agreed. Based on the way things are now and the way things are anticipated to go, this will result in CMEEC negotiating lower costs for the power brought back to Wallingford from ISO.

Mr. Scully said it would allow them to bring lower costs. The difference is that if you have an obligation to have a certain amount of capacity you either bring the capacity yourselves or you buy it from someone else. If you buy it from someone else you pay more. It would be the concept of avoiding costs paid to someone else.

Mr. Testa said the bottom line would be that CMEEC would buy lower cost electricity to bring into Wallingford. In talking about Wallingford's share of repaying the expense, that would not be seen as a direct fee. It would just be calculated into the cost of the electricity from CMEEC.

Mr. Scully said that was correct.

Mr. Testa said he assumed that going forward with this project would mean we are going to be in long term contracts with CMEEC.

Mr. Smith replied that it does not tie us to buying power from CMEEC forever. In the year 2009,

our contract with CMEEC expires. We can then go out into the marketplace to see what else is available. We will still have a one-third ownership of the project. At that point, we would pay a separate bill to CMEEC for the debt, but then we would use it in our bargaining if we want to be independent. This does not commit us to CMEEC beyond 2009.

Mr. Testa asked what would prevent Wallingford Electric from doing this project without CMEEC. Is it not economically feasible?

Mr. Smith said we could flip it around and put the debt service of Wallingford on the table. Wallingford could finance it and have CMEEC buy the other 65 percent of the contract. That would mean a debt on the town. We can not afford to own the project on our own.

Mr. Testa asked about pollution controls. Mr. Stern said the design basis was to keep it within the existing basis. A coal plant would not work for a peaking plant. It would need a much bigger site. Mr. Testa asked about the emission controls and the pollution controls.

Mr. Stern introduced Mike Anderson of TRC Environmental. Mr. Anderson said that the proposed project has two primary characteristics. The first is as a peaking plant. A peaking plant by definition has limited operation. It will operate a few hundred hours in a year. In effect, its emissions of air pollution will be limited by the number of hours it runs in a year or on the quantities of fuel it uses. The better way is a limitation on the amount of fuel. The very inherent nature of limiting its operation so that it is a peaker, means its emissions are limited. The unit is approximately twice the size of the individual units located in the plant behind it. It produces about twice as much power. The units that would operate normally during peak hours would be units like diesel engines. In the past those were high emission units. The Wallingford units operate as nitrogen oxide emissions. The PP&L units had a parts per million nitrogen oxides of 2.5 parts per million. The proposed unit would have 9 parts per million nitrogen oxide emission rate. The nitrogen oxide emission rate of the PP&L units if it did not have the emission control device that it does have would be 25 ppm. The emission control device reduces it to 2.5. The new unit will achieve 9 ppm without any add on control. There is no need for any ammonia or other materials to reduce emissions. The unit will have to meet all the air quality standards that the state has.

Mr. Testa asked if the unit emits 9 ppm, what would the limit which is unacceptable by law. Mr. Anderson replied that the 9 ppm is acceptable. The limit in the state that is anticipated to be imposed on the plant is an annual emission of approximately 14.9 tons of emission maximum. In

historical terms, a generation ago turbines were at 50 ppms. Just decades ago the units had 200 ppms.

Mr. Testa asked Mr. Anderson if would live across the street from the plant with those emissions. Mr. Anderson replied that he would.

Mr. Testa asked what this plant will mean to Wallingford's electric rates. He asked about a cost benefit analysis. Mr. Scully replied that CMEEC expects that over 10 years this project would have a value of something in the order of \$40 million after the debt is paid off. There would be a net benefit of \$40 million over that period of time. If Wallingford were a third of that they would receive a third of the benefit. Mr. Testa said that would mean \$1.25 million per year in savings for electric rate costs. Mr. Scully said that is net benefit after the debt is paid off. Mr. Testa asked if during the period when we are paying off the debt we would simply not see rates go up as much provided that the regulatory bodies do not take the subsidies out.

Mr. Scully said that under the scenario of changing rules this project would still be viable. Under all the reasonable sets of assumptions brought before the CMEEC Board of Directors, it is still a viable project.

Mr. Farrell noted that there are a number of Councilors not in attendance tonight, and that there are some incoming Councilors. He said if this is to be done with rock solid support for the project then we should wait until January when all the Councilors would be present. There are only six Councilors to vote tonight. There are also incoming Councilors who might later say they weren't involved in the decision and want to stop the process.

Mr. Smith replied that the elected Councilors can be invited into any Executive Sessions tonight. Ms. Papale stated that she understood Town Attorney Mantzaris gave his approval for Ms. Riscati and Mr. Brodinsky to sit in on an Executive Session. Mayor Dickinson said that he believes that regarding Executive Sessions, those who are able to attend are those who provide information or those who sit in judgment of the matter. He said given this transition stage, it would not violate the Freedom of Information statute for the incoming Councilors to participate. He went on to say that there is some sensitivity to time regarding initiating transactions related to the project. That is the reason why this issue is suddenly before the Council. He said if we need to go into that further, we should do so in Executive Session.

Mr. Farrell said the time sensitivity is regrettable because when the PP&L deal was being

discussed there were multiple meetings before considering an agreement.

Mr. Smith replied that PP&L was a whole new concept when it was brought to the Council. Mr. Farrell responded that this project is a much more difficult concept to understand.

Mr. Smith said in terms of the PP&L project, it was pretty overwhelming. There were a lot of issues for the neighbors, such as noise, emissions, and appearance. He said we beat those issues up pretty well. We had to be assured that it would not be an annoyance to the neighborhood. He said he feels every promise made at that time was fulfilled. He said what we bring to the Council tonight is a clean technology project to supplement what was already there. He said this would be just as clean and just as noiseless as the other projects. This would be an opportunity to lower the cost for our customers. It may sound like we are trying to rush this through, but we are familiar with this subject from the past.

Ms. Papale said that if the new Councilors can sit on the Executive Session they will have all the information that the rest of the Council has. She said that the bottom line is that there are only six voting Councilors in attendance tonight. She said she thinks everyone should be involved in making the decision regarding contracts.

Mr. Smith explained that the Council would not be committing to any of the contracts tonight.

Ms. Papale asked if the Council passed the motion tonight, in January when the contracts come before the Council could they vote no and that would be the end of it.

Mr. Smith replied that was correct.

Mr. Parisi asked if there is any cost to the Division once the Council authorizes the project to move forward. Mr. Smith responded the only cost would be staff's time. CMEEC is bearing all the expense of the engineering study. We have no direct payments to make here.

Mr. Parisi asked if the Council could vote this down in January. He asked if the Council would be making any real commitment tonight. Mr. Smith replied that the project could be voted down in January by the Council. Mr. Parisi said he also feels that it would not be appropriate to vote without all the Councilors here.

Mayor Dickinson said there really isn't a request for anything binding. CMEEC is looking for any

serious objection because of their need to move ahead with some things between now and January. If we can not talk about that now, maybe we should go into Executive Session.

Mr. Scully stated that CMEEC would like to have a nonbonding expression of interest from the Council. If there are serious objections from the Council, CMEEC would not go forward. CMEEC is looking for an indication that Wallingford is interested so they can move forward. He said in January the Council has the full right to make a decision regarding the project.

Mr. Nunn said that besides the ability of this project to purchase power at a lower cost, there is a second incentive which involves a time window for buying equipment at a significant savings. This opportunity is only open to Wallingford because of the existence of the Pierce Plant.

Mr. Knight asked what responsibility Wallingford will have to this project. He asked what risks will Wallingford assume as part of this project.

Mr. Scully said if the Council agrees to go forward with this project, Wallingford would agreed to a power contract which would state that Wallingford agrees to pay its percentage share of CMEEC's costs associated with this project. Wallingford would get the same percentage of benefits.

Mr. Knight asked how many hours a year the plant will need to operate in order to break even.

Mr. Scully replied that it doesn't have to operate at all. This plant has capacity value. It will operate only on those peak days when ISO really needs it. If ISO never really needs the plant and doesn't call upon it, we still get the value of having built the capacity. It is a reserve.

Mr. Knight asked if there were no LICAP, RMR or capacity charges would the project operate successfully. Mr. Scully replied if there were no capacity payments at all, this project would not get any revenues. But if that were the case, the generating units out there would say it is not viable to keep the generators going. If that happens the whole system collapses because you don't have electricity. Our assumption is that we need to get back to recognizing that there is some capacity value. Aside from recognizing that the actual markets may change, fundamentally there will have to be some way to fairly compensate units like this that are reserves units called upon on peak days. Otherwise, the lights will go out. The ISO will ensure some way that these units are viable because they are needed. We are relying on basic business principals. This is a good economic proposition for all of the municipals.

Ms. Papale opened the discussion to the public.

Mr. Gino Zandri, 9 Balsam Ridge Circle, said he was disappointed that a meeting of this importance is not being televised. Mr. Smith said he requested for the meeting to be televised, however, they did not have the staff to do it.

Mr. Zandri said that the thing that makes this project feasible is the 30 cent payment. He asked if this payment does not go up will the project still be cost effective. Mr. Scully responded that if the 30 cent payment were to continue with no other revenue stream to the generators you would not have a viable business proposition and the generators will not stay in business. If the capacity was thirty cents and there was no other value for capacity, we would not go forward with the project.

Mr. Zandri said a lot of these peaking plants have been around for a long time. Their initial investments are probably long gone. They are trying to stay alive with the thirty cents. They could probably shut down with no problem. The project we are discussing is a start up. It is starting from scratch and we would be investing money in it. You can not just shut it down. The dollars are already out the window.

Mr. Scully said there are a number of units, some new and some old. Even the older units are asking for money to cover their costs far in excess of thirty cents. Even these generating units that are old and are fully depreciated were purchased back in 1999 at 3.5 and 5 times their book value. These people who invested that money have not written down their investment in it. They have a significant imbedded fixed cost that they need to recover.

Mr. Zandri said you have to be careful when you are investing money in something this volatile.

Mr. Stern said it is very hard to know what the future holds. The thirty cents is a today value. One benchmark to use when you are trying to make a decision about making power or buying power. We can go out and solicit proposals for ten years of peaking capacity. Some come back and give a price. This will give you a benchmark to compare whether you should build or buy. He said we are not taking a stab in the dark.

Mr. Zandri said CMEEC will own the facility but lease from the town. He asked if the lease is with the Electric Division or the Town. Mr. Smith said since the Electric Division had custody

and built the building, so the Division would be the lease receiver.

Mr. Zandri asked if the town of Wallingford benefits from the facility being located here. Mr. Smith said any savings achieved through the Electric Division would go back to the town and the residents for its electric bills. Mr. Zandri asked if the other towns associated with this project will have the same benefits as Wallingford. Mr. Smith responded that they will have the same benefits, but they will not receive any lease payments. The benefit is lower prices. Mr. Zandri asked if because it is located in Wallingford, will the town receive any taxes. Mr. Smith said both CMEEC and Wallingford Electric are both tax exempt entities so there are no tax payments. Mr. Zandri said the Council should consider this. He said he thinks the Town should get something for having the facility located here, such as tax dollars.

Tom Bruneau, 184 East Street, said that when the PP&L plant was built, one of the bargaining tools was that they were decommissioning this plant. Now they are trying to recommission this plant. He said he is disappointed in the Department of Public Utilities for this reason. He said he knows that times change, but it just seems that this is a money deal. It has nothing to do with benefiting the residents of Wallingford. How much will it lower a Wallingford resident's electric bill? This is just a peaking plant. It will not be running all the time. He said PP&L was supposed to be a peaking plant, however, living across the street from it, he now doubts that. He said the neighbors were also told that when the PP&L plant was running it would be quiet. He said it is quiet, but it emits bursts of air that would knock you off your seat. He said there are also trucks that come to the plant that emit a piercing sound. The neighbors were never told about that beforehand. He said there are five emission stacks coming off of PP&L. Now you are adding another stack. If they are peaking plants, the plants are running at the same time. Now all stacks are running together. He said he is aggravated as a resident of East Street. They deal with the trash to energy plant, garbage trucks, the recycle center traffic, the dump traffic, the auction traffic. He said the neighbors put up with all the burden and get nothing in return.

Mike Brodinsky, 45 Valley View Drive, referred to the 30 cent capacity value. He asked if that is a flat fee across the board. Mr. Scully said that is the price from ISO. What they have done in addition to that is that they are paying all the entities through RMR contracts. There are other ways to bring dollars to the generators. Mr. Brodinsky asked if they were individually negotiated contracts with individual generators. Mr. Scully replied that that is correct. Mr. Brodinsky asked if CMEEC is hoping to individually negotiate your own capacity value. Mr. Scully said that the regulators at FERC are saying that the system we use now is not working. When this new mechanism goes in to compensate people, all those contracts are supposed to stop. The new

compensation mechanism for capacity will then supersede all the individual contracts. Mr. Brodinsky asked if it is a risk factor for this project if the new capacity charges, LICAP, do not go into effect. Mr. Scully said it is a factor, but then the other units will have to have some compensation. Mr. Brodinsky said the burden will then be on CMEEC to negotiate something above the thirty cent level. If that can't be done there will be trouble. Mr. Scully replied that ISO has determined that in Connecticut there needs to be 1150 megawatts of this quick start reserve energy to ensure reliability. Right now there is only 650 megawatts. Right now there is a deficit. Someone needs to build generation. Mr. Brodinsky said a risk is that we are relying on CMEEC to negotiate something above thirty cents. He asked how much more we need to make this profitable. Mr. Scully responded that we can build this unit and put it in at 40-60 percent less than other units.

Mr. Brodinsky said looking at this plant as a stand alone profit center, you are expecting an operating loss. You are relying on the credits to more than make up for the loss. Mr. Scully said the people who supply electricity will have the obligation to support so much generation in the marketplace. You will either wind up paying someone else to support this generation or you will own it yourself. Mr. Brodinsky said that the cost of generating the power on a peaking basis plus the cost of covering our debt will not be covered by the sale price of the electrons generated. Mr. Scully said that is correct. Mr. Brodinsky went on to say that the operating deficit needs to be made up by other credits and savings. That is capacity value. The capacity value is thirty cents. Mr. Scully said that is correct.

Mr. Brodinsky asked if CMEEC sells the plant, do each of the participating municipalities need to consent to the sale. Mr. Scully said the municipalities would need to consent. He said the Board of Directors would need to consent. Mr. Brodinsky asked if Wallingford would cash out its 32 percent of the sale price. Mr. Scully said they would get their percentage of the benefits.

Mr. Brodinsky said it would be helpful if there was some document that combined the pollutants issued by this proposed plant combined with pollutants generated from the PP&L plant. This could then be compared to the state requirements. Mr. Scully agreed to provide that.

Mr. Mark Parisi, 71 Brentwood Drive, asked if CMEEC would become power producers. Mr. Scully said they would. Mr. Parisi asked if after the twenty year lease, CMEEC would decommission the plant move on, just leaving it. Mr. Smith said that would be a condition of the lease. They do not just walk away from it.

Mr. Wes Lube, Montowese Trail, asked if Wallingford is a shareholder of CMEEC. Mr. Scully said there are seven municipal utilities in Connecticut. Five of these are members or owners of CMEEC. All seven buy their power from CMEEC. Wallingford chose not to be a member of CMEEC, but they buy their power from CMEEC. Wallingford sits on the Board of CMEEC even though they are not an owner. Mr. Lube asked if Wallingford was the largest consumer of the seven. Mr. Scully said in terms of consumption, Wallingford is the largest, just ahead of the City of Groton. Mr. Lube said in the event that CMEEC is doing this and Wallingford is not an owner, the risk is on the five members, not Wallingford. Mr. Scully said the contract that Wallingford would sign states Wallingford agrees to pay their portion of costs.

Mr. Lube said there may be changes down the road that would make this project less than attractive. If that were to happen, would the burden fall on the five owners and not on Wallingford. Mr. Scully said Wallingford would share in the burdens and benefits as though a member via this contract. It is as if we are participating in this as an owner. Mr. Lube asked if the five members have any additional benefits as owners. Mr. Scully said Wallingford does not have any equity interest in CMEEC at this point.

Mr. Lube said the turbines will operate primarily on gas with oil as a reserve. He asked if they are currently equipped to switch fuels or do they need to be modified. Mr. Stern replied that they are already equipped to do that. Mr. Lube asked if the pipeline has enough capacity to service both this unit as well as PP&L. Mr. Stern responded that there is enough capacity.

Mr. Lube asked where the initial costs for setup would come from. Mr. Stern replied that CMEEC would fund this through borrowing from financial markets. Wallingford would have no upfront costs.

Mr. Lube asked if the building is on town-owned land or is it owned by the electric utility. Mr. Smith said technically it is on town-owned land. The Electric Division rate payers bought it originally, but it all goes into the name of the town. Mr. Lube asked if CMEEC would be leasing the building from the electric utility and the land from the town. He asked if there would be two different leases. Mr. Smith said it is all in one lease. Mr. Smith said technically the Electric Division is a department of the Town of Wallingford. Mr. Lube asked what CMEEC has offered as a lease figure. Mr. Smith said we have not finalized a number yet. Mr. Scully said that is the subject of negotiations and, therefore, it is not appropriate to discuss.

Mr. Lube asked if the twenty year lease is based on the anticipated life of this unit. Mr. Stern

replied that with the expected usage of this turbine, the first overhaul of this investment would be at about the nineteen year mark. At that point, we would need to assess the cost and benefits of renewing the turbine and making major maintenance investments at that point versus terminating the lease. It is a reasonable horizon.

Mr. Lubee asked if the town would have any monetary liability. Mr. Stern said right now it costs the town for heating, lights, and maintenance of the building. All those costs will be transferred to CMEEC as the lease holder. Mr. Lubee said because Wallingford is bearing the burden of the location of the plant, there should be some sort of consideration for a payment in lieu of taxes. Mr. Scully responded that they have not provided for that type of payment. They have provided for the lease payment only. The lease payment is a negotiated number.

Mr. Lubee asked if there were any objections from the other members of CMEEC when this project was first conceived. Mr. Scully said there have been discussions on the Board, much like the discussions here tonight, but in the end it was a unanimous vote to go forward with the project.

Mr. Zandri asked why this project couldn't be built in Groton, which would still allow Wallingford to benefit from it. Mr. Scully said it is not easy to site power plants. This site in Wallingford was an existing power plant and so it was looked upon more favorably. It is in a favorable location in terms of the point of injection. It has greater value here than in some other locations. This is a good match for this type of unit. Mr. Zandri said the town of Wallingford should benefit from having the plant located here.

4. Discussion and Action: Public Utilities Commission - Development of Necessary Agreements for the re-powering of the Alfred Pierce Station

Mr. Nunn stated that, as with the Council, the Commission's vote on this item does not lock them into a final decision on the project. The agreement will be worked on with the suggestions made by the public and the Council.

Mr. Gessert made a motion, seconded by Mr. Nunn, to direct staff and the Town Attorney's office to work with CMEEC to develop necessary agreements for re-powering of the Alfred Pierce Station for consideration by the Commission at the January 3, 2006 PUC meeting. If any agreement(s) require Town Council action, the documents should be available for their consideration by the January 10, 2006 session of the Town Council. Votes: Two ayes. Mr.

Cooke was absent for the vote.

5. Discussion and Action: Town Council Encouragement of Drafting of Contracts with CMEEC for the re-powering of the Alfred L. Pierce Station

Mr. Testa asked if this project would require Council approval in the end to go forward. Mr. Smith said because the lease is beyond the ten year authority of the Public Utility Commission. It would have to come back to the Council to lease the property.

Ms. Papale said Mr. Zandri made a very good point when saying Wallingford should be compensated for being the host of this project. She said she is hoping that would be a consideration in the contracts. Wallingford should gain something more than the other towns.

Mr. Farrell said he will reluctantly vote for this motion. He said he is surprised the Council has heard nothing of this project beforehand.

Mr. Testa said he would approve this with the full understanding that it is to allow a final agreement to be worked on and presented at a future meeting. At that point it can be discussed in detailed so it can be decided whether it should go forward or not.

Mr. Testa made a motion, seconded by Mr. Parisi, to encourage the drafting of contracts with CMEEC for the re-powering for the Alfred L. Pierce Station. Said contracts to be presented at the January 10, 2006 Town Council meeting – Public Utilities Commission. Votes: Six ayes. Mr. Di Natale, Mr. Spiteri and Mr. Vumbaco were absent for the vote..

6. Joint Executive Session pursuant to 1-200 (6)(E) of the Connecticut General Statutes regarding evaluations for the prospective public supply contract.

Mr. Testa made a motion, seconded by Mr. Knight, to enter into Executive Session (at 9:45 P.M.) pursuant to 1-200 (6)(E) of the Connecticut General Statutes to discuss evaluation of the prospective public supply contract without further motions until a motion to adjourn. Votes: Six ayes.

Executive Session Attendance: Ms. Doherty, Mr. Farrell, Jr., Mr. Knight, Ms. Papale, Mr. Parisi, Mr. Testa, Mayor Dickinson, Assistant Town Attorney Farrell, Sr., Ray Smith, Mr. Nunn, Mr. Gessert, Rick Hendershot, Maurice Scully, Gave Stern, Phil Sussler, Mike Anderson, Rosemary Rascati, Mike Brodinsky.

Mr. Testa made a motion, seconded by Mr. Parisi, to come out of Executive Session (at 10:20 P.M.). Votes: Six ayes.

7. Joint Meeting Adjournment

Mr. Testa made a motion, seconded by Mr. Parisi, to adjourn the joint meeting of the Town Council and the Public Utilities Commission. Votes: Six ayes.

The meeting was adjourned at 10:20 P.M.

Respectfully submitted,



Elizabeth M. Dighello
Recording Secretary

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AT 2 H 30 M P M AND RECORDED BY
Katherine F. Zander TOWN CLERK