

SPECIAL TOWN COUNCIL MEETING

FEBRUARY 1, 2000

6:30 P.M.

AGENDA

Blessing

1. Pledge of Allegiance and Roll Call
2. Presentation of Certificates to Holiday for Giving Volunteers – Mayor
3. Correspondence
4. Consent Agenda –
 - a. Approve and Accept the Minutes of the January 3, 2000 Special Town Council Meeting
 - b. Consider and Approve Tax Refunds (#347-368) Totaling \$3,353.20 - Tax Collector
 - c. Consider and Approve a Transfer of Funds in the Amount of \$485 from Removal of Kerosene Tank Acct. #001-5015-999-9943 to Paint Railroad Station Acct. #001-5015-999-9948 – Public Works
 - d. Consider and Approve a Budget Amendment Increasing Equipment Acct. #900-394-200 by \$6,000 and Decreasing Labor for Maintenance of Lines Acct. #900-673-001 in the Amount of \$5,175 and Decreasing Pumping Labor & Expenses Acct. #900-624-000 in the Amount of \$825 – Sewer Division
 - e. Consider and Approve a Transfer of Funds in the Amount of \$10,500 from Operation Labor & Expenses Acct. #900-642-001 and \$10,500 from Admin. & General Salaries Acct. #900-920-000 for a Total of \$20,500 to Maint. Of Treatment Equip. Acct. #900-652-000 – Sewer Division
 - f. Consider and Approve a Transfer of Funds from Various Accounts Within The Water Division Totaling \$20,000 to Workman's Compensation Acct. #800-925-001 – Water Division

- g. Consider and Approve a Transfer of Funds in the Amount of \$2,000 from Misc. Expenses Acct. #800-626-000 to Maintenance of Transmission & Distribution Lines Acct. #800-673-000 – Water Division
 - h. Consider and Approve Adopting a Resolution Authorizing the Mayor to Sign a Contract Amendment for Additional Funding in the Amount of \$765 Available Under the 1999 Preventive Health & Health Services Block Grant – Health Director
 - i. Consider and Approve an Appropriation of Funds Amending the Health Department's Budget in the Amount of \$765 to Revenue – State Grant (Preventive Health Services Grant) Acct. #1040-050-500-0000 and to Expenditures Fund #108-000 of which \$706.55 is Appropriated to Payroll Acct. #9000-101-1000-0000 and \$58.45 is Appropriated to Fringe Benefits Acct. #9000-800-8000-0000 – Health Director
 - j. Consider and Approve a Bid Waiver in the Amount of \$2,514 to Purchase Confirmation of Voter Registry Forms from Adkins Printing Co. – Registrar Of Voters
- 5. Items Removed From the Consent Agenda
 - 6. PUBLIC QUESTION AND ANSWER PERIOD
 - 7. Discussion and Possible Action Regarding a Lease for the Town-Owned American Legion Building - Mayor
 - 8. Report Out from the General Manager of the Water and Sewer Division on the Status of the Sewer Siphon Project at the Quinnipiac River Crossing, Including the Estimated Completion Date as Requested by Councilor Rich Centner
 - 9. Report Out from the Director of Public Utilities, and such others as may be necessary and appropriate, on the Status of the Negotiations with PP&L and/or Wallingford Energy L.L.C. to Include, but not be limited to, the Proposed Financial Terms and Conditions by and Between all of the Parties; and Proposed Contract Language Pertaining to Taxes and Other Payments to be Made by Wallingford Energy L.L.C. as Consideration for Permitting Said Entity to Site a Power Plant in Wallingford as Requested by Councilors Brodinsky, Vumbaco & Zappala

(next page please)

10. Discussion and Possible Action on a Proposal to Form a Town Council Sub-Committee for the Purpose of Identifying and Hiring a Consultant to Evaluate for the Town Council the Proposal made by Wallingford Energy L.L.C. and to Assist in Negotiations with Wallingford Energy L.L.C. and to Assure that Wallingford Receives Fair Market Value for the Rights being Granted to Wallingford Energy L.L.C. by Allowing it to Site a Power Plant at the Pierce Generating Station as Requested by Councilors Brodinsky, Vumbaco & Zappala
11. Executive Session Pursuant to Section 1-200(2) and Section 1-200(6)(E) of the CT. General Statutes Pertaining to Strategy and Negotiations with Respect to Collective Bargaining
12. Discussion and Possible Action Regarding Approval of a Revised Chief of Field Party Job Description – Personnel
13. Executive Session Pursuant to Section 1-200(2) and Section 1-200(6)(E) of the CT. General Statutes Pertaining to Strategy and Negotiations with Respect to Collective Bargaining
14. Discussion and Possible Action Regarding Approval of Pension Plan Tentative Agreement with AFSCME Co. 4 Local 1183, 1303-060, 1303-062, 1303-173, CSEA Local 760 and the Health Service Professional Association
- Mayor
15. Consider and Approve Accepting Roxbury Lane and Additional Right-of-Way Along Pond Hill Road - Town Planner

SPECIAL TOWN COUNCIL MEETING

FEBRUARY 1, 2000

6:30 P.M.

SUMMARY

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9. Report Out on the Status of Negotiations with PP&L and/or Wallingford Energy LLC on the Proposed Financial Terms and Conditions and Contract Language Pertaining to Taxes and Other Payments as Consideration for Siting a Power Plant in Wallingford	21-28
10. Discussion on a Proposal to Form a Town Council Sub-Committee for The Purpose of Identifying and Hiring a Consultant to Evaluate for the Town Council the Proposal Made to Site a Power Plant in Wallingford to Assure Wallingford Receives Fair Market Value for the Rights Being Granted to Site Said Plant	11-20
11. Withdrawn	
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SPECIAL TOWN COUNCIL MEETING

FEBRUARY 1, 2000

6:30 P.M.

The January 25, 2000 Special Town Council Meeting was cancelled due to inclement weather and was re-scheduled as a Special meeting of the Wallingford Town Council, held on Tuesday, February 1, 2000 at 6:30 P.M. in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman Robert F. Parisi at 6:30 P.M. Answering present to the Roll called by Town Clerk Rosemary A. Rascati were Councilors Centner, Farrell, Knight, Papale, Parisi, Rys, Vumbaco and Zappala. Councilor Brodinsky was on vacation out of the country. Mayor William W. Dickinson, Jr. arrived at 7:26 P.M. due to a scheduled appearance at a D.A.R.E. Graduation program. Corporation Counselor Adam Mantzaris and Comptroller Thomas A. Myers were also present.

Gene Riotte, Deacon, Most Holy Trinity Church bestowed a blessing upon the Council at this time.

The Pledge of Allegiance was given to the Flag.

It is noted that Items #7, 11, 12, 13 & 14 have been withdrawn from the agenda.

On behalf of the Mayor, Chairman Parisi awarded certificates to the Holiday for Giving volunteers for their dedicated service to the program during this past holiday season. The following individuals were present to receive their award:

Linda Adam	Tanya Rogus
Harvey Bray	Karen Sega
Fred Helming	John Stevens
Charles Johnson	

ITEM #4 Consent Agenda

ITEM #4a Approve and Accept the Minutes of the January 3, 2000 Special Town Council Meeting

ITEM #4b Consider and Approve Tax Refunds (#347-368) Totaling \$3,353.20 - Tax Collector

ITEM #4c Consider and Approve a Transfer of Funds in the Amount of \$485 from Removal of Kerosene Tank Acct. #001-5015-999-9943 to Paint Railroad Station Acct. #001-5015-999-9948 – Public Works

ITEM #4d Consider and Approve a Budget Amendment Increasing Equipment Acct. #900-394-200 by \$6,000 and Decreasing Labor for Maintenance of Lines Acct. #900-673-001 in the Amount of \$5,175 and Decreasing Pumping Labor & Expenses Acct. #900-624-000 in the Amount of \$825 – Sewer Division

ITEM #4e Consider and Approve a Transfer of Funds in the Amount of \$10,500 from Operation Labor & Expenses Acct. #900-642-001 and \$10,500 from Admin. & General Salaries Acct. #900-920-000 for a Total of \$20,500 to Maint. Of Treatment Equip. Acct. #900-652-000 – Sewer Division

ITEM #4f Consider and Approve a Transfer of Funds from Various Accounts within The Water Division Totaling \$20,000 to Workman's Compensation Acct. #800-925-001 – Water Division

ITEM #4g Consider and Approve a Transfer of Funds in the Amount of \$2,000 from Misc. Expenses Acct. #800-626-000 to Maintenance of Transmission & Distribution Lines Acct. #800-673-000 – Water Division

ITEM #4h Consider and Approve Adopting a Resolution Authorizing the Mayor to Sign a Contract Amendment for Additional Funding in the Amount of \$765 Available Under the 1999 Preventive Health & Health Services Block Grant – Health Director

ITEM #4i Consider and Approve an Appropriation of Funds Amending the Health Department's Budget in the Amount of \$765 to Revenue – State Grant (Preventive Health Services Grant) Acct. #1040-050-500-0000 and to Expenditures Fund #108-000 of which \$706.55 is Appropriated to Payroll Acct. #9000-101-1000-0000 and \$58.45 is Appropriated to Fringe Benefits Acct. #9000-800-8000-0000 – Health Director

ITEM #4j Consider and Approve a Bid Waiver in the Amount of \$2,514 to Purchase Confirmation of Voter Registry Forms from Adkins Printing Co. – Registrar Of Voters

Motion was made by Mr. Rys to Approve the Consent Agenda as Presented, seconded by Mr. Farrell.

VOTE: Brodinsky was absent; all others, aye; motion duly carried.

PUBLIC QUESTION AND ANSWER PERIOD

Reginald Knight, 21 Audette Drive referred to the Mayor's State of the Town address given recently at a Chamber of Commerce event. During his address the Mayor bragged about the number of houses that have been built in the Town yet, only a few months ago, the Council was prepared to take, by eminent domain, land on which a builder had began constructing homes, after obtaining all the necessary permits and approvals. At least three councilors had raised the argument at that time that it is not in the best interest of the Town to have houses built because the tax return on the property does not cover the educational costs.

Mr. Parisi stated that the Mayor was eluding to the fact that the Town was part of the raising of the house for Habitat for Humanity.

Reginald Knight stated that he has been complaining about the condition of sidewalks in town for a long time. At the junction of E. Main and E. Center Streets there are two mountains of compacted ice that have been there since a week ago today. That wall is at least four feet high and three feet across barring access across E. Main Street to the pedestrian crossing and across E. Center Street to the restaurant. The Town supposedly has a Sidewalk Inspector yet, it appears to be going uninspected. The elderly frequently travel up that way to shop. This situation was brought to the attention of a police officer a few days ago who said he would attend to it but it remains the same. We are often told that it is the responsibility of the adjacent property owner to clear the sidewalk. This property owner should have been given a warning to clear the walkway. A call was placed to the Mayor this morning to bring this matter to his attention; he was not in to receive the call. While at work today, a call came to Reginald Knight's house from the Mayor's secretary stating that she had contacted the Mayor regarding the matter and action had been taken. Upon returning home from work Reginald Knight noticed that nothing had been done regarding the mountains of snow/ice.

On a separate matter, Reginald Knight was disturbed over the fact that he had been told that the Public Speaking Meetings were no longer going to be conducted because the majority party of the Council felt that they were unproductive. The matter was never even a topic of discussion with the Councilors because it was a "done deal". Why is there an opposition party if they will not even speak up?, he asked.

Mr. Parisi explained that not all of the minority party councilors were contacted because he did not believe that they were all of that persuasion and that Mr. Knight may be referring to a caucus.

Reginald Knight stated that he feels there has been an erosion of the public's right to enter into discussion on matters.

Mr. Parisi stated that Reginald Knight is not truly reflecting the feelings of the entire Council. Be that as it may, the action to remove the Public Speaking Meetings from the schedule of yearly meetings was voted on at the last meeting of the Council and it passed. The holding of a public speaking meeting was something the Council wanted to try, which it did for over a year. The minimal participation did not warrant continuing the practice and that was the opinion of the greater majority on the Council.

Reginald Knight was disappointed with those individuals he worked to get elected.

Wes Lube, 15 Montowese Trail referred to consent agenda item #4j, a request by the Registrar of Voters' Office to purchase Voter Registry Forms. He asked if anyone bothered to check with the Secretary of State's Office to see if there was only one firm in the State that the forms could be purchased from, since a waiver of bid was requested?

Mr. Parisi answered, the consent agenda has been passed but I did check with the Town Clerk and I have every confidence that she does know what she is doing. I did not check with the Secretary of State's Office, no.

Mr. Lube stated, as a citizen of the Town, I would appreciate it if the Council would have a greater concern about waiving bids. It is a very bad practice.

Mr. Parisi agreed with Mr. Lube.

Mr. Lube next stated how, at the first meeting of the newly-elected Council, this body adopted its Meeting Procedures. The Chairman was under the stated impression that the procedures were of little concern to the public, even though the Council's procedures very definitely constrict the public. The Chairman stated at that time that the public would have ample opportunity to discuss the procedures, at length, at the next available meeting. It is not even on the agenda tonight, what happened?

Mr. Parisi explained that the Council has not finished drafting proposed revisions. He admitted that he was wrong in thinking the revisions would be complete in time to have the item on tonight's agenda. Minus the third meeting of the month, the Council will follow its existing rules until such time as the proposed revisions are brought forth for discussion and action.

Mr. Lubee asked if Mr. Parisi could give the public a clue as to what the proposed changes may be?

Mr. Parisi answered that both parties have proposed changes that require review. The public will have to be patient.

Mr. Lubee next referred to the former Goldfedder property. Laboratory samples were taken by a state agency and the Town was to receive the test results. Where do we stand on that?, he asked.

Mr. Parisi could not answer the question for he had not been informed that results have been received.

Mr. Lubee asked if anyone is pursuing the matter since several months have passed?

Mr. Parisi asked the Councilors if anyone had additional information?

No answer was forthcoming.

With regards to the West Dayton Hill Road Dam, Mr. Lubee asked if a title abstract has been completed? Does anyone know if there is such available?

Mr. Parisi could not answer the question.

Mr. Lubee asked if any Councilor was concerned about the ownership of the dam?

Mr. Farrell stated that a title abstract was performed approximately 3-4 years ago which proved that, basically, the Town does not own the area that needs to be repaired, that is my understanding.

Mr. Lubee asked Mr. Farrell, where do you think the title abstract is residing at the moment?

Mr. Farrell did not know where it was physically located.

Mr. Lubee asked, where and when will a hearing be held to determine the ownership of the dam?

Mr. Parisi did not have that information and stated that the Council is not privy to that information until an item is submitted for placement on the agenda.

Mr. Lubee asked if the Council was given estimates of what it would cost the Town to breach or repair the dam prior to the item being discussed at the December 21st meeting?

Mr. Parisi did not hear of any. He reminded Mr. Lubee that the issue is one that is administrative in nature and not legislative or financial. The administration is researching the matter and will present a proposal to the Council at the appropriate time.

With regards to the sale of our Town-owned Durham property, Mr. Lubee asked, did the state transfer the encumbrance from the Durham property to one of the Cooke properties?

Comptroller Thomas Myers stated that the Mayor did indicate to him this afternoon that the state accepted a "land swap" if you will; some of the Cooke property for the Howd Road property in Durham. It was not clear at this time specifically what part of the Cooke property was the subject of the swap.

Mr. Lubee asked why the Town is so adamant that the state has no jurisdiction over the parcel that is being considered as a potential municipal golf course site. Does it matter to the Town that the state has jurisdiction? If the expert advisors have said that it is not a wise thing to do, why would the Town go ahead and do it? Do we have contrary advice and, from whom?

Mr. Parisi explained, the state's position is conflicting because there are several golf courses in the state that reside right next to water supplies. You can readily get information down at the Agricultural Center in New Haven that outlines a program that will be totally non-polluting to a water supply and still have lush fairways and greens. It is a position the state seems to have taken. The Town's position is that it is our land and we should be able to do with it what we choose as long as it is not going to endanger our water supply and our professionals down at the Water Division are sure that is not going to happen.

Mr. Zappala stated that it is his position that the state is wrong in their thinking because the Town did not purchase the land for a reservoir. The state is of the opinion that a municipality that supplies water should not be building any golf courses. We feel their ruling is off track.

Mr. Lubee stated, the watershed issue does not pertain to the Town's watershed area but the watershed area that supplies Lake Saltonstall in East Haven. He would like to attend the hearing on the matter if someone could provide him with the date and location where the hearing will take place.

Mr. Zappala stated that the Town Attorney is in the process of drafting the necessary documents to take the state to court.

Jack Agosta, 505 Church Street, Yalesville stated that the Fire Department, as of January 12th or 13th has had in its possession a report on the Goldfedder property issued from the State D.E.P. There has been no information to the public about this report. The neighbors, at the very least, should be informed as to what chemicals, if any, remain on the property.

Mr. Agosta said, the Mayor has stated that the 457 Deferred Compensation Plan given to the department heads is a liability to the Town and that he could not offer it to the unions.

Mr. Parisi stated that the Mayor (who had not yet entered the meeting) would have to answer the question.

Mr. Agosta asked if Comptroller Myers could answer the question? He pointed out that on page 60 of the Comprehensive Annual Financial Report (C.A.F.R.) it reads, "The Town has no liability for losses under the plan but does have a duty of due care that would be required of an ordinary prudent investor. The Town, to eliminate its investor exposure authorized only investment on an insured, fixed income account which has a guaranteed minimum investment return." Mr. Agosta stated, it is my opinion that we have no liability; the Mayor could have offered the unions that and if they refused it, then they are the heavy. Maybe they won't accept it.

Mr. Parisi stated, negotiations should never be discussed publicly. Mr. Myers can respond to the statement if he wishes to and if he doesn't, that is fine, too.

With regards to the Martin Luther King Day issue, Mr. Agosta stated that Mr. Centner had commented that it would cost very little to solve the Martin Luther King Day issue. He asked Mr. Centner to elaborate on the statement.

Mr. Centner stated, the total cost of it is not much at all, in the first place. It is more of a negotiating principle with contracts. The dollar cost is not much at all. If we simply settled it and gave the day, which I am not in favor of just giving the day, I am looking for a settlement which would be, if they did get the day, the Town would get something in return. I don't know what that is, because that is what negotiation does; it brings a document in front of us that shows what each side wants and what the settlement was going to be and then you vote on it. In a \$96 million budget, an estimated \$32,000 is little or no money. It is just a figure of speech; little to no cost.

Mr. Agosta stated, the Mayor said that President's Day took the place of Washington's Birthday and Lincoln's Birthday. If that is true, why did this town leave Washington's and Lincoln's Birthdays in the contract? To bring the issue up now is facetious. He asked if the day after Thanksgiving has been offered to the unions? I don't think it has because the Mayor always stands behind Lincoln's Birthday. I want to make it clear that I think the Mayor has not done what you advised him to do; negotiate with the unions and solve the situation.

Mr. Parisi stated that he believes the Town is making an effort to resolve it.

After twenty-five minutes of discussion, the Public Question and Answer Period was declared closed at this time.

ITEM #15 Consider and Approve Accepting Roxbury Lane and Additional Right-of-Way Along Pond Hill Road – Town Planner

Motion was made by Mr. Rys to Move Item #15 Up to the Next Order of Business, seconded by Mr. Farrell.

VOTE: Brodinsky was absent; all others, aye; motion duly carried.

Motion was made by Mr. Rys to Accept Roxbury Lane and the Additional Right-of-Way, seconded by Mr. Centner.

VOTE: Brodinsky was absent; all others, ayes; motion duly carried.

Chairman Parisi declared a ten minute recess at this time for the purpose of determining if Ray Smith, Director of Public Utilities and Roger Dann, General Manager of the Water & Sewer Divisions were available for Item #10 (a P.U.C. meeting was simultaneously occurring at the John Street office).

ITEM #8 Report Out from the General Manager of the Water & Sewer Division on the Status of the Sewer Siphon Project at the Quinnipiac River Crossing, Including the Estimated Completion Date as Requested by Councilor Rich Centner.

Roger Dann, General Manager of the Water & Sewer Division explained how the siphon project is a pair of pipe crossings which carries wastewater flows generally from the northeasterly portion of the town underneath the Quinnipiac River just downstream of the Merritt Parkway, crossing over the Quinnipiac (River). The pipes were installed in the late 1960's at a depth of about 3' below the then-existing stream channel which also fell below

the water level created by the Community Lake impoundment. When the Community Lake Dam was breached and the water level fell, the stream channel in this area re-graded and carved a lower depth of stream channel ultimately exposing the two pipes in the stream channel. Those have been relatively stable over the last twelve to fifteen year time frame although there is some indication that they have moved a little. In 1997 we began investigating options to replace those pipes and/or protection of the pipes in place. The selected option at that time was look to install cover over the pipes that they would be protected in place and in the 1998-99 budget, funds were appropriated for that purpose. Upon performing the required analysis for permitting, we discovered this option would have created a slightly higher elevation which would cause some upstream rise in flood elevations which are not allowable under the D.E.P.'s conditions. A second option, replacing the pipes by digging them deeper under the stream channel, was considered and budgeted for in the current year's budget. Design and associated permitting work commenced. In July, 1999 the project went out to bid and was awarded. The work began in late August, 1999. The work was originally designed to be performed during the low flow time of year. In fact, the permits that applied to the project all stipulated that the work had to be completed before October 1st so the contract was geared towards that completion date. The summer was very dry and stream flow was extremely low. Unfortunately as the contractor mobilized and began work, we had a hurricane. As a result, that did affect the ability of the contractor to work in the stream channel. After that we had intermittent, fairly heavy rain events which slowed down progress in the stream channel. Eventually, the contractor was able to complete the work necessary within the stream channel by mid-October. Since that time the contractor has been working on the remainder of the project which involves the continuation of the pipes outside of the stream channel and the installation of the inlet/outlet structures necessary to control the flow through these pipelines. That work is proceeding although somewhat intermittent due to weather conditions. Based upon the current projected schedule that we have from the contractor on this, he is anticipating competing the job by mid-March, the latest.

Mr. Centner asked for a report out on behalf of the Quinnipiac River Linear Trail Advisory Committee. The committee is a little uneasy because the schedule (of work) has moved and it is feared that the work may interfere with the scheduled completion of Phase I of the trail. The grand opening of the trail is scheduled for June 3rd, Connecticut's Trails Day, and a number of people from the state will be in the area and may participate in the grand opening. If the project is scheduled for completion by mid-March it should not be a problem with the trail project. Once the contractor pulls out of the area, what condition will the area be in when he leaves?

Mr. Dann replied, our contract stipulates that he must restore the road way to the same condition as existed before he began his work. With work commencing in mid-March on

the trail, I don't know how dried out the area will be. The linear trail contractor may run into some of the same difficulties that our contractor did wherein if you are in there during the wetter time of the year, that trail will not hold up quite as well as it does in the dry periods.

Mr. Centner asked, if our engineers and/or designers of the trail are not satisfied with the condition that the area is left in, is there an out or is it just something that the trail side of it has to pick up? Do we have a mechanism for cost-sharing? It is awfully mucky down there right now and I am not so sure the contractor can leave the area in an "as was" condition.

Mr. Dann answered, our contract does not have a provision in it for any kind of a cost-sharing. We tried to expedite doing our project last Fall so we could be out of the way before the linear trail project began. Our contract calls for restoration essentially back to its original condition. Whether or not the contractor can accomplish original conditions short of a season where it could dry back out again, I am not certain of. We will look at that as he completes the work. There may be areas he will have to place some stone material in to firm up...whether or not that is desirable, is part of what I have been speaking to our Town Engineer about. There is no sense in putting stone in if the linear trail contractor will be taking it out. We will look to try and coordinate the activities of our contractor as he completes with the linear trail contractor as he gets started on his work.

Philip Wright, Sr., 160 Cedar Street asked if the work is staying on track, financially speaking?

Mr. Dann answered, there have been no change orders requested to date.

Mr. Wright asked if the contractor started his work on schedule or were there delays?

Mr. Dann explained that a delay occurred at the onset due to the unavailability of the pipe material.

Mr. Wright asked if the Town has done business with this contractor before?

Mr. Dann replied that his department had not and could not answer for any other department.

The report was concluded at this time.

Motion was made by Mr. Rys to Move Agenda Item #10 Up to the Next Order of Business, seconded by Ms. Papale.

VOTE: Brodinsky was absent; all others, aye; motion duly carried.

ITEM #10 Discussion and Possible Action on a Proposal to Form a Town Council Sub-Committee for the Purpose of Identifying and Hiring a Consultant to Evaluate for the Town Council the Proposal Made by Wallingford Energy L.L.C. and to Assist in Negotiations with Wallingford Energy L.L.C. and to Assure that Wallingford Receives Fair Market Value for the Rights being Granted to Wallingford Energy L.L.C. by Allowing it to Site a Power Plant at the Pierce Generating Station as Requested by Councilors Brodinsky, Vumbaco & Zappala

Mr. Zappala asked the Mayor if the Council voted in favor of the action proposed above, would the Mayor follow through on the request?

Mayor Dickinson answered, given how far the negotiations have gone, and they are not complete, I am not sure we would gain anything from trying to hire someone now. We have had the benefit of information from an appraiser, we have our own assessor as well. Ray Smith is directly involved; he is an electrical engineer and very knowledgeable about the electric energy business. Mr. Smith has been able to consult with CMEEC and its Board Members and they provide information and expertise. We have also hired Environmental Risk Limited to provide us with an analysis of the environmental risks. In addition, we have hired Bob O'Neil, an attorney we have used before, on regulatory and other matters concerning electric energy, ratemaking, lawsuits, etc. He is very knowledgeable and directly involved in the negotiations. Beyond that there is information that has been obtained from the completion of projects in at least one other area in Connecticut which provides us with information and analysis. We have legal, environmental, property value, a very good knowledge of the electric industry; we are well-positioned with experts and knowledge to represent the interest of the Town. The negotiations are drawing to a conclusion, I don't think we are at a point where we would gain much; if I saw some area of information or expertise we needed, I would say we should obtain that but I am not aware of it at this point.

Mr. Zappala stated that it was his wish, when he made the motion over a year ago, to hire someone who is going to be able to help the Council determine what the Town of Wallingford is capable of gaining from leasing the property. He stated that he would have felt more comfortable voting on the project if he knew that someone working for the Council was able to tell the Council what the value, if any, of the property was. Mr. Smith is very qualified for his job but I don't know if he has ever been involved in selling

or leasing property. It is in our best interest to have someone, with expertise in the matter, to advise the Council on what it should expect to obtain for the leasing of the property.

Mayor Dickinson was confident that the Town had all the experts and knowledge it needed at its disposal and would not gain anything by hiring someone at this late date.

Mr. Zappala asked, do you feel the Town's Assessor is knowledgeable enough to tell us?

Mayor Dickinson answered, the Assessor, in combination with a professional appraiser, in combination with other information received from other sources, provides us with enough information. It is not the Town Appraiser, it is a professional appraiser who is familiar with commercial/industrial leases. There is a combination of resources that, each separately might not be enough, but all, in combination, provide a pretty good idea of whether we are receiving reasonable value or not.

Mr. Zappala stated that he would feel more comfortable if the Town hired someone whose business was to assess and appraise power plants.

Mr. Vumbaco stated, although he was not actively involved when this process began, he reviewed the minutes of all the meetings at which this topic was discussed. In referring back to the December 8, 1998 a motion was made to discuss revenues associated with the Town. At the last Council meeting the mayor indicated that we were talking about tax revenue and once we get the listing of the equipment, we will be able to assess to a greater degree. The motion did not address tax revenue solely, it addressed revenues, in general. Besides the tax revenue the Town is supposed to receive and, according to PP&L's own report, besides tax revenue there is site lease revenues, town utility revenues as well as improvements to the switchyard which is supposed to be a valuable asset to the Town. I don't believe we have gone outward enough to bring someone involved as a third party person to make sure we are getting our best deal. I stated this at the last meeting; my biggest concern with this whole process is the fact that I don't think we are going to fully understand what the value of this deal is. There was a motion made and seconded by Ms. Papale and it was approved by all the councilpeople that night and yet no one was hired. My question is, why wasn't someone hired last year to help deal with the revenue issue, not just the tax issue? A series of discussions in these minutes seemed to press on to tax issues only but, being a financial person, revenues mean more than just taxes to me. I know you stated tonight that you hired an appraiser, or that there is a third party appraiser involved in helping with the revenues or leasing but, if you read the intent of the minutes and the intent of the motion was to give this Council some comfort in the fact that a twenty-four and one-half year deal that we will be signing up for, that the Town is getting the best deal, revenue-wise. The Council voted and it seemed like it was ignored and I am

questioning why someone was not hired a year ago and then we would not be listening to the excuse tonight that we are at the last minute and it would not help the project if we do go out and hire someone now.

Mayor Dickinson asked Mr. Vumbaco to read the motion that was actually adopted from those minutes.

Mr. Vumbaco: "Mr. Zappala stated that it is time for us to look at the serious part of this project, revenues to the Town."

Mayor Dickinson asked once again that the motion which was approved and adopted be read into the record.

Mr. Vumbaco replied, that was the motion. It said how much revenues we should get from this project, "we should hire someone who specializes in this type of work to give us an expert interpretation and PP&L should pick up the cost of having a study done. I would like to put that in the form of a motion", seconded by Ms. Papale. That was what the discussion was on. There was nothing...the discussion filtered towards tax revenue but the motion states, "revenues".

Mayor Dickinson answered, I looked at it (motion) last week and it looked like it was limited to taxes pretty much in the motion, itself.

Mr. Vumbaco replied, I have the minutes right here, Mr. Mayor, I am reading directly from them.

Mayor Dickinson explained, in order to develop taxes, and that is the principle revenue, you need to know exactly what equipment is involved. Most of the taxes will come from personal property. IN order to know that you need a list of what ever equipment, machinery, etc., is to be put at the site. We did not have that a year ago. In fact, we just received it maybe three or four weeks ago and the assessor requested information, I believe, in November or December and received an answer in January. To hire someone a year ago to analyze something that our assessor should review, and we had no information for anyone to review at that point with regard to personal property or other facets of the project, just was not a reasonable action to take. The assessor was comfortable, our assessor, whom we pay for our expertise; was very comfortable in analyzing what the personal property worth would be. He has been of great assistance in doing that. Now, when it comes to the value of the property on a lease, we turned to an appraiser although certainly our assessor and the appraiser in the office can make an attempt to provide a value on that but we went to someone who is familiar with industrial/commercial leases.

Essentially, the revenues are the lease revenues and the tax revenues and we have the expertise to handle that and we did not have the information to be able to analyze it until fairly recently.

Mr. Vumbaco replied, I agree, it is impossible when the project first began to be able to understand what the tax revenue is but, when you look at the total project as a whole, there are other revenues actively involved in this besides the property tax revenue. There is a site lease revenue that you said you have hired someone to discuss. I hope that when we eventually do get the contract in hand that at least the Council has the opportunity to look at the back up data that this gentleman provided to support the lease payments that are being negotiated. I am under the impression that since it is not fully signed off on and negotiated yet, we can't discuss those terms tonight, but I would be more than anxious to look at that data that is provided by this third party assessor that you are talking about that came in and discussed the lease issues. There is also revenues to the Electric Division as far as electricity and utility revenues are concerned but I understand Mr. Smith has developed that. My only concern is that I want to make sure that the deal is the best deal for the town. Like Mr. Zappala, currently, I am uncomfortable with the fact that this is the best deal for the town, strictly speaking, because there are certain issues that have been stated by PP&L that do not meet what I feel would be best for the town in the fact that they believe that there is no intrinsic value in that site being an approved power site. I think that if we had a third party person who was actively involved in the area of electricity, and there are plenty of people out there --- I brought names of some people tonight who would be able to do that, be able to inform us of the fact that there is or there is not a value in that. I can't believe that since PP&L is going through the "short method" to get this project approved that there isn't some intrinsic value in that. They (PP&L) is stating that there is not; Ray (Smith) is stating that there is not; I can't say whether there is or not because I don't have anyone to tell me; that is my concern and that is my only concern. It is not that I think Ray (Smith) hasn't done a fantastic job as well as everyone else who has been here, I just want to be sure that when we start reviewing this project that we have enough information that we know we are getting the best deal for the town. Twenty-four and one-half years is a long time to be signing a deal with someone so we had better be darn sure that we are doing the right thing.

Mayor Dickinson answered, some will agree and some will disagree with the ultimate terms. I believe we do have the expertise sufficient to form an opinion and conclusion as to whether it is a good deal for the town. I can't say that everyone will feel that way.

Mr. Vumbaco asked, has the Town Council sub-committee to the P.U.C. sat and discussed this at all? Has it met and at least discussed this with Mr. Smith or the P.U.C. as this project has moved along?

Mr. Parisi answered, they wouldn't and I don't believe that is what their primary function would be.

Mr. Vumbaco asked, what would their primary function be? This is a power plant.....

Mr. Parisi answered, their function is primarily an oversight like most of the other committees are.

Mayor Dickinson added, I think it is important that the negotiations be handled in a confidential manner and the assigned responsibility for negotiation is administrative. That should be handled in that way. At the point that the results are discussed, any committees and the Council, as a whole, everyone will have an opinion and a chance to debate it. Typically, if you get too many people involved in negotiations they don't remain confidential and the party you are trying to negotiate with doesn't know who is speaking for the community and things fall apart fairly quickly. I think we are following the right route; it takes a little patience. I believe we have the expertise and information to reach a good conclusion. There will be plenty of time to debate all of that once we have contracts. We may not reach the point where we have contracts and all of them will be trying to explain why we don't have contracts.

Mr. Knight stated that he has followed the project with great interest since it was first brought up. He also was fortunate enough to be on the Council when the CMEEC agreement was negotiated and had an opportunity to watch Ray Smith in action in his job and Bob O'Neil. We were kept abreast of every development during that particular negotiation and I think the result of the expertise from both Ray Smith and Bob O'Neil is amply demonstrated with the kind of electric rates we are paying today. I think we are putting the cart before the horse a little bit. It might be a good idea to see, in terms of the agreement that hopefully will be negotiated, before we have decided that the people who are doing the negotiations need more help. It is a very complex and sophisticated process that I understand is going quite well. I would not approve of holding up the negotiations to install yet more advice that we seem to have already in abundance.

At this time David Gessert, Chairman of the P.U.C. and Commissioner Richard Nunn. entered the meeting along with Raymond F. Smith, Director of Public Utilities.

Mr. Gessert stated that Mr. Smith has devoted an enormous amount of time to the negotiation process which is very tedious. Many hours have been spent on conference calls with Atty. O'Neil working out details. The Administration, Town Attorney, Atty. O'Neil and Mr. Smith have all been working on this contract so that when it is finalized

and presented to the Council, it will be a document that you will find acceptable and will be advantageous to the Town. If it is not, then it won't be presented here.

Mr. Vumbaco asked the Mayor, the third party appraiser that you hired to look at the site lease issues, was that hired in lieu of the individual that this motion said to hire or was that just something that was done? My concern is that there was a unanimous decision by this Council to hire someone one year ago; it could have been six months ago; it could have been three months ago; and that was not carried out. It is a matter of procedure and I am questioning why a decision of this Council was not carried forward?

Mayor Dickinson replied, first of all it was a recommendation and it was not viewed at this point to be something that would be in the interest of the community. I am not sure what kind of expert that would be. I don't know that there are too many.....I don't know who you would find that is knowledgeable about just negotiating power plant sites. We arrived at questions regarding the lease and the Law Department consulted with an appraiser. There was no reference at all to the recommendation you are referring to or anything else. It was a matter of being in need of information and the information was sought from someone who had the expertise to provide it. There is no disrespect intended towards the Council as a body or individuals, it is an effort to obtain information necessary to reach a conclusion in negotiations. As we moved along we realized we need different things and we looked to provide them.

Mr. Vumbaco asked, why is this considered a recommendation when the vote was 8-0 to hire someone, according to the motion? The motion did not say that we recommend...

Mayor Dickinson replied, the motion did say to recommend.

Mr. Zappala stated, my information tells me that there are companies out there who specialize in negotiating the selling of power plants. We just have to search for them, because they are there.

Philip Wright, Sr., 160 Cedar Street was uncomfortable with this subject, one reason being that Wallingford Energy, L.L.C. stated at the last meeting that there were several industrial sites in town that could be used which means that the Pierce site is not worth anything to them. There is no other site in town in which they can move in and site a power plant at. It appears as though the will of the Council is irrelevant. The Mayor says that it is his responsibility to decide yes or no on this; it is a dictatorial position and the only thing the Council can do, those of you who may not like what is being done here, is to vote against it and to get the public to do something about it when it finally comes about because you have been thwarted in every effort.

Mr. Parisi felt that Mr. Wright did not portray a totally accurate picture of the function and how things work. If a Councilor wanted information, the greater majority of the time, it is available to him.

Mr. Wright stated that he has checked with both the Water Department and Planning & Zoning to see if there was anyone on the Council who went to them to find out the facts, figures, numbers as to what our water capacity is going to be for the next twenty-five years after our development has max'd out. Not one man went to the Water Department....

Mr. Parisi replied, several Councilors have called the Water Division.

Mr. Wright asked if anyone went down to the Water Division to find out what the numbers are? He believed that the Councilors should have the figures. He was not inferring that Mr. Dann was not credible, but he that the Council should be in a position to justify to the average citizen in town that, by your study, by your review of the figures, you are comfortable with the fact that the town has enough water for the next twenty-five years when we have max'd out development. The Council is accepting what has been said without doing its job of verifying the information.

Mr. Wright noted that Mr. Vumbaco indicated that he has done such homework.

Mr. Parisi stated that he believes other Councilors have as well.

Mr. Gessert stated that the P.U.C. has covered this topic with Mr. Dann at its meetings and have obtained hard numbers on the subject. Mr. Dann has indicated to the commission that the proposed plant will not have a negative impact on the town's ability to provide water.

Roger Dann, General Manager of the Water & Sewer Division stated, at the time Mr. Wright had contacted him, he had not received contact from any Councilors with regard to this question. For the record, since that time, Mr. Dann has had contact with at least three members of the Council requesting additional information.

Mr. Centner stated, one year ago when the originally-proposed plant was going to absorb significantly higher quantities of water, I questioned Mr. Dann on the matter. At that time Mr. Dann made some reference to a state mandate of some sort that triggers the Water Division at a certain level of capacity to look at the next expansion of the utility's system. That was good enough for me. That still happens, correct? It is at 80 or 90% capacity that we automatically have to review the possible expansion of the services?

Mr. Dann answered, the state looks for us to maintain what they refer to as a margin of safety of 15%. That means that the difference between what our system can safely provide and what the demands of our customers are should be at least 15% different. The purpose is to allow adequate time for planning and implementation of what ever capital projects you may have to construct to obtain additional sources of supply. Our margin of safety is far in excess of that and is currently projected to remain that way for the planning horizon out to the year 2040, which was looked at most recently back in 1996.

Pasquale Melillo, 15 Haller Place, Yalesville was disturbed by the statement that there is no intrinsic value to the Pierce plant site.

Mr. Vumbaco explained that he did not say that the Pierce site had no intrinsic value. He stated that PP&L is claiming that there is no added value to the site itself; it is no different than any other industrial site in town which he is not comfortable with.

Mr. Melillo stated that PP&L wants the site very badly and we should have them foot the bill to bring the Pierce station up to par. It was only last year when the plant was called on line to produce electricity due to an emergency situation. He felt that a consultant should be hired as was recommended last year and PP&L should pay for the service.

Wes Lube, 15 Montowese Trail stated, by Charter, the P.U.C. can not enter into contracts greater than ten years in length and have therefore asked the Council to substitute for the P.U.C. as the Council has no such ten year limitation. The P.U.C. has passed to the Council the responsibility to use counsel's judgment before committing the Town to a twenty-four year lease. The Council must seek out all the facts, without fluff, in order to intelligently evaluate the merits of this business proposition. If we look at an industrialist, an attorney, a barber, a carpenter, etc., and expect that you people are going to have the background to know what to ask of Ray Smith or Roger Dann, is not being realistic. With your backgrounds, like my own, we are at a loss as to what we should have in front of us in order to make an intelligent decision. For that reason, it is proper for you to have technical advisors, as many as needed. PP&L has continuously thrown out the number of 1,800 hours per year as the anticipated operating time yet. None of the facts that PP&L has given the Council rationalizes that figure. For example, PP&L said the plant will consume 200,000 gallons of water per day. If you divide 200,000 gallons per day into the 28 million gallons that they said the plant will use in one year, that is obviously a 140 day operation. They have told you that they will be operating 16 hours per day. If you multiply 140 days by 16 hours, it comes out to be 2,240 hours, not 1,800. They never explained to you how they have arrived at the representation that they were making when they were, in fact, almost 25% higher in their minimum operation. In their earlier

presentations they described how the turbines were going to be housed in a sound-deadening enclosure. Now they say the turbines are merely going to be covered. They are going to be surrounded on three sides by a 50' high wall. The very height of the wall tells us something. Why is the three-sided barrier three-sided and not four-sided? Are the 51dba that they say will occur at the curb on East Street also be the same on the curb of the Hartford Turnpike. Why is that west side not blocked from the sound? That question has never been answered. Everyone hears PP&L tell you that they are expected to pay in the neighborhood of \$1 million in taxes. We know that if you take \$125 million (proposed cost of plant) at 24.8 mills, it comes to over \$2 million in taxes. There are questions that remain unanswered and there are questions the Council is not asking but a technical advisor would. Since our last town-wide assessment was performed in 1990, the 1990 building replacement cost factor is used in assessing the value of construction performed today, ten years later. The \$1 million figure is based on the assumption on the part of PP&L that it would only cost \$62 million to construct the whole operation back in 1990. What will the town "net" per dollar of water revenue? What will the town "net" per dollar of sewer revenue? The net revenues should be of concern to us, not gross revenues. The assessor should be telling you what the tax revenue, in his opinion, is going to be, not in PP&L's opinion. All of this information that has not come to you yet....Ms. Papale stated at the last meeting, "how can I make a decision when I don't have any of the facts." It is a problem.

Mr. Parisi replied, when the facts come we will look at them, read them, study them, ask our questions and then make a decision.

Mr. Lubee argued that an advisor would be able to tell the Council what questions have gone unanswered as well as those that have not been asked. He asked, what is the Water Division's policy regarding industrial rationing? Is it the same as the residential policy?

Mr. Parisi answered, it depends on what the situation is at the time. You cannot have a flat policy on something that may not exist at all yet it could exist for a number of years in a row.

Mr. Lubee commented that Mr. Lyons stated at the last meeting that the power plant will suffer no differently than any other Water Division customer should rationing be implemented. He wanted to know if, in fact, that was a true statement. This issue, he felt, should be brought out. He asked if anyone has provided the Council with a map which exhibits that area of the town (70%) that will enjoy a restoration of power in the event of a brown-out or black-out?

Mr. Parisi answered, not at this particular time, no. I would rather vote on this without knowing who is in the 30% that will not have electricity.

Robert Sheehan, 11 Cooper Avenue stated, at each presentation given by PP&L data is displayed, via overhead projector, listing a timeline by which particular events pertaining to this project will occur. By February 1st PP&L was to appear before the Siting Council. They assumed they would have a signed contract by now. The contract has not been signed and PP&L have not appeared before the Siting Council as scheduled. It is evident that PP&L sets the agenda and the Town follows. He reminded the Council that they run the show, not PP&L. It behooves the Council to hire a consultant or obtain a peer review of what has been presented to the Council to date. It is prudent to have a professional opinion on the matter.

Mayor Dickinson stated, it is true that PP&L has not met the schedule that they would like but part of the reason for that is Ray Smith and the people negotiating on the other side.

Jack Agosta, 505 Church Street, Yalesville also felt that there was no harm in hiring someone to look over what the suggestions and benefits are.

Mr. Vumbaco stated how, in listening to fellow Councilors and the public, he will not make a motion to hire anyone since it will most likely fail a vote or, if it did pass, would not be carried out due to some form of administrative veto.

Mr. Centner addressed Mr. Lube regarding the 1,800 hours of operation. He explained, the reason for the 1,800 – 4,000 hour range is, this plant has been changed from a baseline generation plant to a peaking plant. In the estimation of PP&L and our own people, in a year's time, there will only be demand driving the bus bar cost of power upwards to where it is actually profitable to manufacture energy, would be in the range of 1,800 to 4,000 hours per year so all the numbers triggering off of it.

Mr. Smith stated, the plant will probably run twenty days in June, twenty in July, twenty in August; maybe forty hours in the winter, maybe ten hours in May or November... we don't know. It will not run day in and day out.

Mr. Centner asked, are we limited by the contract to 4,000 hours in one year?

Mr. Smith answered, we are putting in a provision that caps the water supply to correspond with the 4,000 hours.

No action was taken at this time.

ITEM #9 Report Out from the Director of Public Utilities and Such Others as May be Necessary and Appropriate on the Status of Negotiations with PP&L and/or Wallingford Energy L.L.C. to Include but not Limited to the Gross Financial Terms and Conditions by and between all the Parties and Proposed Contract Language Pertaining to Taxes and other Payments to be made by Wallingford Energy L.L.C. as Consideration for Permitting Said Entity to Site a Power Plant in Wallingford as Requested by Councilors Brodinsky Vumbaco and Zappala.

Raymond Smith, Director of Public Utilities stated, I hope you are not disappointed, they won't touch upon all those issues that are mentioned here. I think the hope and the expectations were that we were going to be in a position to deliver documents to you either by the end of next week or today and that has not happened. These are some difficult negotiations. I am not prepared to bring you materials that I am not comfortable with at this point. Putting the deal together was the easy part; it's the contingencies of how it unravels due to several circumstances that is the difficult part. We are working on five major agreements; the lease agreement pertains to the use of the property; how it is utilized, the terms and conditions of the operations, how would he leave it if he vacates the property, how does this unravel? Try to make an expectation that in four, five, ten or fifteen years someone goes bankrupt; someone defaults. What if the fault is that they don't pay a supplier and there is a claim against the project, what happens? How do we stack up as a creditor in that circumstance? What do we want? What status do we want the plant to be in if they walk away? What we essentially want is our land back the way it is today so that in ten or twenty four and one-half years, if it turns out to be that long of a contract, that we now have to take the land back, they have done their thing and we have collected money in the meantime and we are left with what we started with. Actually, we will be better because of certain things that have been accomplished. Better because we will have a better transmission system. That is a major element of this project, the upgrading of the transmission system. We are trying to improve reliability to prevent black-outs. In 1994 when the system went down because of the ice storm we had no back-up abilities. If we increase our system to have a third transmission line, the likelihood of all three lines going out again, decrease...increase the likelihood that there is going to be a supply there and decreases the likelihood that they will have to start the emergency generation. That is another part of the agreement. Again, the lease is the important document, if you will, it is a landlord/tenant relationship; a very complicated one. The Town is hoping the project is successful because it is hoping to receive lease payments, tax payments and other benefits. The next most important document would be the Host Community Agreement. It is sort of a global agreement that sort of outlines what the Town is coveting and what the owner is going to covenant. It describes the need for easements; how the Water & Sewer facilities will be connected into the system. Another agreement is the Emergency Generation Agreement. The theory is that if the lights go out, please start your generator. What is the

price for that? That is the only argument that we have. The developer may want to recover his cost, what ever they may be. A document was proposed and turned over to PP&L and they turned it over to the lawyers. It came back as nineteen pages. This is just an example of the process. All we want them to do is to push the button to start the generator and they have nineteen pages of language, including the signature pages, that is trying to describe that situation; a once in a ten year contingency, in all likelihood. So now we go back and try to understand why they prepared the document in the way that they did, what certain sections mean, how they impact other issues. So you go back and say that we ought to be able to do this a little easier and then we take a shot at it. In the meantime we are working on the other, more important, agreements. It may sound simple, and it should be except that you are trying to anticipate what is going to happen over a twenty-five year period. A lot of us may not be here or won't be associated with the Town or the utility but people are going to have to operate under this thing. With all due respect to the individuals we are dealing with today, they may be very dependable and reliable and committed but there is no guarantee six months from today that they will be the same individuals. Another issue that has come up is one of assignment; they have a right after they develop the project to sell it out to someone else. We want to make sure that the terms and conditions carry over to whomever the operator will be. We want to make sure we have protections for that. The Interconnection Agreement has certain terms and requirements and conditions. They are building a transmission line which is a very important component, one of the biggest elements of this, that they will turn over to us. It is something that we budgeted for in the amount of \$1, 750,000 – just short of \$2 million it would have cost us if we did it on our own. They are going to turn that over to us and we have certain responsibilities. There are transmission relationships between us and Northeast Utilities that have to be worked out. The last agreement is the Utilities Services Agreement. The language will say that they will become a customer of the electric, water and sewer departments. They will be one of our larger customers so we have certain expectations, the same as they do. They want to make sure that when the plant is not running, they have a source to maintain their equipment to make sure it does not freeze up or do other things. We have spent many, many hours and my hope was that we could bring this to closure and it is not happening. It will not happen until I am comfortable with it. I understand certain conditions that you want to see in that contract. The fuel oil restriction is one issue; no ground icing or fogging is another, for example. Every time you insert another parameter or requirement, people react to that. The bottom line is, we want to get the document to you as soon as possible because we realize three things; the longer you delay, the longer it will be before we get a transmission line; the longer before we get lease payments; the longer it will be before the Town realizes tax revenues. There has to be due diligence on our part and I cannot bring a document before you if it isn't good. They have grave concerns. One of their concerns is, ten years from now, what will the make up of the Council be? Council, Mayor, who is in charge? Will the Councilor or

Mayor try to use the contract against them to abuse them in some fashion? They are being cautious too. They are concerned that someone may get political for the sake of being political and will try to abuse them because they are on the Town's property. When they go to a lending institution, they have to have documents that are suitable and satisfactory to those people. If there are too many constraints or caveats that the banks don't like, they may not be able to get the financing. I am trying to convey to you that it is an ongoing process. There has been a lot of time and effort by a lot of people and a lot of frustration. We have not come to agreement on the lease payments, for example. We have our ranges and we stake our positions. All of this is subject to your approval. It has been a great learning experience. We know things about the site; what the limitations are, what the restrictions are, that we did not know a year or so ago. At the end of the process you may not like everything that you see in this deal but they are not going to like everything either. If you choose to turn it down, that is your prerogative.

Ms. Papale stated that she feels everyone is in agreement on one issue; yes, the Council is anxious to see the contract, but not until Mr. Smith is comfortable with it. She asked, when does Atty. O'Neil get involved?

Mr. Smith answered, he is currently involved. He has been drafting the document, recreating it, responding, working right along on it, more heavily in the last month and one-half.

Ms. Papale asked, will he appear in front of the Council?

Mr. Smith answered, yes, when you are given the documents, he will be available for you to discuss them with you.

Ms. Papale asked, I am correct that when we get the documents, we will have only about a week to review them?

Mr. Smith stated, I hope to get them to you soon and you take what ever time is necessary to make your judgment. I would hope within a week we can have a meeting to ask questions and review the document. You probably will not understand a lot of the language in there. Our Town Attorney has been involved in the process, as well as the Mayor and P.U.C. Attorney Farrell, Sr. This is not being done by myself and Atty. O'Neil in a vacuum.

Ms. Papale asked, is there a cut off date by which PP&L has to have a signed contract? Will it make a difference as to when we can start up?

Mr. Smith answered, the target date for start up is June 1, 2001. In order for that to happen they must obtain all of the necessary permits through the permitting process, not to mention the public hearing process through the Siting Council. Early February is probably as late as they can go. Can they make it March 1st? They may be able to, I don't know that for sure. They built into the system an allowance for these things to happen.

Mr. Gessert added, in addition to the permitting process there is the ordering of equipment and construction that has to be done in that time frame. Their goal is to start the plant June of the year 2001. Re-evaluation is coming up again and if you are looking at what taxes will be generated from this site, if the plant is not going to be built and ready to roll until 2001 and re-evaluation comes around about that time, then I would imagine that re-evaluation will probably be on current market value, not ten year old market value. That should have an impact, also, on your revenue stream.

Ms. Papale asked, if, for some reason, we don't negotiate quick enough or each of us has problems and it takes longer than anyone expected....if it is not done by any certain time could they walk away, PP&L?

Mr. Smith answered, yes and then we have to start the process over. We could use what we learned in this experience....and we can turn that around therefore the next process would not be as long. The key time for them to make money is the summer months. That is the primary revenue season for these plants. If you miss that time frame, you might as well wait a year. We will then lose the lease payment, property taxes, etc. My hope is that we will at least get the transmission line built so we have something to show for all this time and effort. If they don't get through their Siting Council process this June, which is their target date or shortly thereafter, if they get to the point that by June 1st there are prohibitions, restrictions or problems that will not let this project go forward, they have a right to walk away then, too.

Mr. Vumbaco stated, that should not be one of our number one concerns in pushing this through, we still have to have a comfortable deal. If they want to walk, that is their prerogative, let them walk.

Mr. Smith agreed with Mr. Vumbaco. He stated, if there had been a motivation just to push something through, I could have delivered documents. I am not going to give the Council something I am not comfortable with.

Mr. Vumbaco thanked Mr. Smith for coming tonight. Mr. Smith was correct in his assumption that this item was placed on the agenda because some Councilors thought that they were going to at least be able to start the discussions moving forward because of

having a hard copy in their hand. There are a lot of questions now that he realizes is going to have to be put on the back burner.

Mr. Gessert pointed out that if an agreement cannot be reached that is satisfactory to Mr. Smith, the Town also has the right to walk away.

Mr. Vumbaco asked, do you have any idea when the Council is going to get the document?

Mr. Parisi answered, no.

Mr. Smith answered, we have another conference call set for tomorrow morning....can we get through all of.....believe it or not there are still some attachments we haven't seen. Not all the blame is on us for responding, they still have not provided some of the attachments were are germane to the contract. I have personal plans and commitment for February 16th and will not be in the state. I would like to clean this all up before then.

Mr. Vumbaco stated, ideally, he would like to have the full Council available to discuss this and many winter vacations are coming into play.

Mr. Smith stated, there is still a target date. Everyone wants very much for this to happen. This site is far more complicated than other sites. There is at least one, perhaps two or three other sites that this plant could be situated on in town and they are reasonably close. Our site, because of some of the conditions we have placed upon it, have made it more complicated than some of the other sites. They have tried to accommodate us.

Mr. Zappala left the meeting at 8:41 P.M.

The de-commissioning of the Pierce Plant was briefly discussed at this time. The estimated cost to de-commission the plant is \$2 million.

Mr. Vumbaco asked, how unreliable has our switchyard been that it requires upgrading? Or is this something that we just want to make that much better?

Mr. Smith answered, we want to make it better. We have had instances where a crow flies into the switchyard and blows some equipment out; squirrels. Ice storms have taken lines down, we have had a reasonable number of outages. We think it can and should be improved. We are at risk. One of the lines last year was hit by a crane. Fortunately the other line held up but that line happens to be out for maintenance and it is a twenty-one mile line down to Devon. There is a lot of exposure and anything can happen.

Mr. Vumbaco asked, when you take over the switchyard, we will be taking it off the tax... what ever value would have been added to that site for tax purposes. Do you have any idea what that will be in this project, as far as non-taxable site?

Mr. Smith answered, probably in the order of \$4-5 million. There is also some tax-exempt equipment that is being put on the generation. There are federal laws that exempt certain air pollution devices from taxation. It would not be taxable no matter where it would be located. Even though it is a cost to the project, it is not subject to local taxation. I don't know that number and I know the Assessor is trying to gain that.

Mr. Vumbaco asked, what are the projected dollars it will cost the Town to maintain the switchyard once it is turned over to us?

Mr. Smith answered, our annual budge for transmission and maintenance right now is somewhere in the order of \$15,000 - \$25,000. It probably will be less in earlier years and more in the future because we will have all new equipment. Some of the equipment is forty to fifty years old. It will be relatively less than \$100,000.

Andy Kapi, 14 N. Turnpike Road stated, in speaking to Joel Reinbold of the Siting Council, from a strict statutory standpoint, however long this process continues to take, PP&L can file with the Siting Council, if they so choose, without the Community Host Agreement being signed.

Mr. Smith stated, it is not good business to go before the Siting Council and propose a project on a piece of land controlled by the town and say, here it is. The Town is going to say that PP&L does not have a lease, therefore does not have rights to the property and I think the Siting Council would be looking to make PP&L had control. It is a highly risky venture to file application and go through the process with the possibility that the Council may reject what ever agreement is ultimately brought to them.

Mr. Kapi stated that Chapter XIV, Section 3 of the Town Charter talks about the ten year lease provision. He hoped the Council could see some of the wisdom behind that language; how difficult it is to look down the road for a twenty-four and one-half year period. Some of the contractual language issues can be avoided or cleared up if PP&L agreed to come back before the Council in the future should they decide to change their method of operation. He has sympathy for PP&L's time constraint, but, by the same token, that is no reason to push an agreement of such complexity forward to where we may have only a week to consider the language. If someone walks, so be it. I am glad that everyone is conceding that that is something that we could end up doing.

Mr. Parisi stated that he has attended some of the negotiations sessions and can report that no one is pushing our negotiating team around.

Mr. Kapi listed the issues he felt that Council should consider carefully, one being the twenty-four and one-half year term of the contract, another being the water consumption issue, just to name two.

Mayor Dickinson stated, this past year was the 100th anniversary of the Electric Division. It is timely that we are confronted with an issue that deals with the future of the Electric Division. There were risks taken 100 years ago when they had to decide whether to go with electricity or stick with gas. I am sure not everyone was happy with it but tough decisions were made and it has worked out well. We are confronted with the same thing; there are no guarantees. But you make educated, balanced judgments as to what the community needs and we go on from there. It is interesting that we are faced with this question now.

Philip Wright, Sr., 160 Cedar Street stated that he was comforted, to a degree, by some of Mr. Smith's comments. He asked, if the contract will contain language stipulating that PP&L will, if need be, provide the 70% coverage for the Town?

Mr. Smith answered, the agreement is that they will switch on the emergency generation. It just so happens that our system, the way it is configured, East Street could serve by switching about 70%; it may even be 75% or 80% under certain conditions. We just threw out that number to identify that there are two substations that are attached to different lines that won't be connected and we may not be able to get to every last customer.

Mr. Wright asked, does it say in the contract that they will provide the Town of Wallingford with that 70% coverage if need be?

Mayor Dickinson answered, that is one of the items that is under discussion.

Pasquale Melillo, 15 Haller Place, Yalesville was impressed with Mr. Smith's negotiating skills. He was concerned that there are too many gray areas and legal loopholes. If any kind of scenario arises and we disagree with PP&L and they don't like it, it is conceivable that they will take us to court. Based on that fact alone, we should drop this and go no further. With regards to the water supply, we were in a drought this past summer and we were close to rationing. If we are faced with another severe drought, where does that leave the residents? This is another reason why we should drop the negotiations. There are too many risks involved. We should not be rushed into anything. New technology is

constantly evolving which could eliminate the technology that PP&L is depending on right now.

Mr. Parisi reminded Mr. Melillo that the plant will have state-of-the-art technology.

Mr. Melillo stated that an inflation clause should be included in the contract. He asked if PP&L was prepared to put language in their contract that states if a drought were to occur, the needs of the residents of Wallingford will supersede the water needs of PP&L?

Mayor Dickinson answered, that is the issue of the Utility Services Agreement; the issues associated with that are still being discussed.

Mr. Wright asked, is the P.U.C. the only body limited to entering into agreements for more than ten years according to the Charter?

Mr. Smith answered, as far as he and others can tell, that is true. There is no language in the Charter that places a limit on how long the Town can enter into an agreement for.

Mr. Wright asked, where can one view that opinion, in writing?

Mayor Dickinson stated, the Town has many agreements beyond ten years; bond covenants as well as the Resource Recovery Project.

Corporation Counselor Adam Mantzaris stated, it has been our opinion right along that the Town is not limited to the ten year limitation that the P.U.C. is.

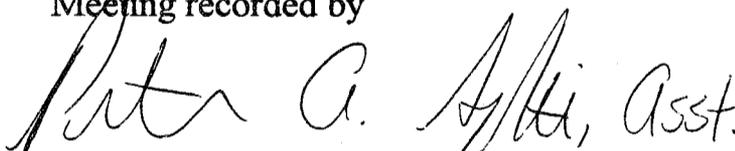
ITEMS #7, 11, 12, 13 & 14 Withdrawn

Motion was made by Mr. Farrell to Adjourn the Meeting, seconded by Mr. Centner.

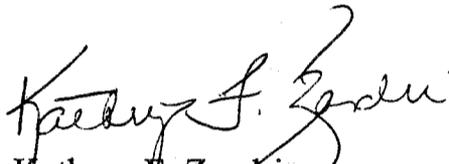
VOTE: Brodinsky & Zappala were absent; all others, aye; motion duly carried.

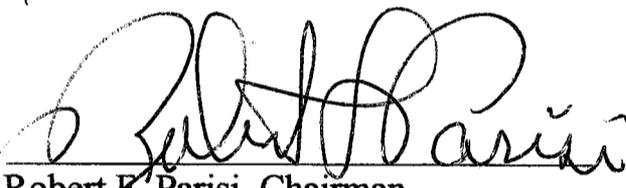
There being no further business the meeting adjourned at 9:44 P.M.

Meeting recorded by

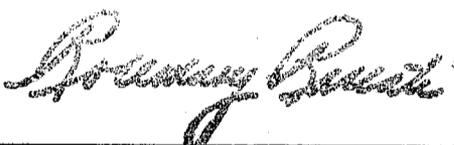

Patricia Sgambati, Asst. Town Clerk

Meeting transcribed by:


Kathryn F. Zandri
Town Council Secretary

Approved: 
Robert F. Parisi, Chairman

3-16-2000
Date


Rosemary A. Rascati, Town Clerk

MAR 15 2000
Date

*These minutes are filed 5 days late due to Physician's restrictions.