

TOWN COUNCIL MEETING

JANUARY 27, 2004

6:30 P.M.

A regular meeting of the Wallingford Town Council was held on Tuesday, January 27, 2004 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order by Chairman James Vumbaco at 6:35 P.M. Answering present to the Roll called by Town Clerk Kathryn F. Zandri were Councilors DiNatale, Doherty, Farrell, Knight, Papale, Parisi, Testa & Vumbaco. Councilor Spiteri was unable to attend due to impending weather. Mayor William W. Dickinson, Jr., Town Attorney Janis M. Small and Comptroller Joseph Swetcky, Jr. were also present.

A blessing was bestowed upon the Council by Rev. Sydney Parker (Ret.)

The Pledge was given to the Flag.

ITEM #2 Correspondence

Chairman Vumbaco stated that items of correspondence received were on file in the Town Council Office.

ITEM #3 Consent Agenda

ITEM #3a Consider and Approve Tax Refunds (#487-506) Totaling \$6,611.37 – Asst. to the Tax Collector

ITEM #3b Approve and Accept the Minutes of the Town Council Swearing-In Ceremony of January 5, 2004

Item #3b was withdrawn and will appear on the next meeting agenda.

Motion was made by Ms. Papale to Approve Consent Agenda Item #3a, seconded by Mr. Testa.

VOTE: Spiteri was absent; all ayes; motion duly carried.

ITEM #4 - Withdrawn

PUBLIC QUESTION AND ANSWER PERIOD

Chairman Vumbaco referred to the last meeting when Mr. Robert Sheehan asked a question about why the Fire Department had been at Simpson School on a few occasions. Chairman Vumbaco said he called the Fire Chief and talked to him about it and was told that they're using Simpson School as a training facility.

Gino Zandri 9 Balsam Ridge Circle – Mr. Zandri said he had two Items he wanted to discuss. The first was the Redwood Flea Market and the traffic problem we have. I would like to see the Town set-up a meeting with the owner so that we can discuss the problem.

Chairman Vumbaco asked: Because of the parking?

Mr. Zandri answered: yes.

Chairman Vumbaco said: I'll try to facilitate it.

Mr. Zandri continued: The second item is a safety concern. There are people that are pumping their sump pumps in their basements out into the street. This time of the year with the cold weather it's causing ice problems and there are two spots I know of personally. One is on Cook Hill Road and the other on So. Main Street. In fact, last week the Town was out there with a dump truck and a bucket loader clearing the ice away early one morning when really there was no need to have them there. There is a solution to this problem. I think the Town has to get involved and get these pipes put into the closet storm drain to eliminate them just being pumped out into the street. That's my suggestion and you might want to discuss it with Henry McCully.

Chairman Vumbaco asked: Henry, are you aware of the situation that Gino is talking about?

Mr. Henry McCully, Dir. Of Public Works: Not the one on So. Main Street. We do have this situation occurring throughout Town. People have had sump pumps for 50-60 years and have always discharged them into the gutters and in a lot of cases if the road is graded properly the water stays in the gutter. From time to time we do have to go out and sand these areas depending on the temperature and the winter that we have. In order to look into piping these into the Town's storm system we need to go and

investigate them and see what it would cost. In many cases, if you have to run several hundred feet of pipe just to accommodate one sump pump, you may look at maybe continuing to maintain or when you go to pave the road to change the grade a little bit. But these exist throughout Town and many people who have been doing this for many years really have no other choice if they have water going into their basements. As you know we had a very wet summer last year and usually this icing disappears when the source of the water dries-up. So there's a lot of ways of addressing it. It's a Town wide problem and yes, we do have many incidents like this and where we can address them we do in the most efficient way we can.

Chairman Vumbaco asked: Is it that they're running their hoses out to the street and running the water?

Mr. McCully answered: Or they simply run it on to their lawn several feet away from the road and what happens is the water freezes on itself and accumulates and slowly builds-up and then you have a real icing problem. I know we have one on Miller Street, up in the Ridges there's a few. We tend to manage most of them. On Miller Street for example, the road is on our paving list for next year. We always evaluate the drainage in the area prior to paving and in that case we do need some drainage on the road so while we are there we will take care of that problem. So each sump pump presents its own problem and we would certainly look at the one in So. Main and I believe there is another one, Cook Hill and Mansion Roads we are dealing with that.

Chairman Vumbaco addressing Mr. McCully: Do you have a follow-up?

Mr. Zandri asked: If I can just comment, the one I'm familiar with the most is obviously on Cook Hill. There's a catch basin no more than 25 ft., I think it's the farthest away it can be - it's about a four (4) inch pipe that's being pumped out - the waters being pumped out. What happens is as the ice builds-up, it doesn't pump constantly, it makes layers, especially when you have a prolonged cold spell and it comes out into the road almost three feet at times and I think it's a safety situation, and I think each one has to be looked at and if we can resolve it. If the catch basin is not that far away, I don't think it would be that costly and I'm bringing it up because I still think this is a safety concern.

Chairman Vumbaco asked: Henry, can you at least look into the Cook Hill one?

Mr. McCully replied: Yes.

Mayor Dickinson stated: Mr. Chairman, the Town generally does not do work on private property.

Chairman Vumbaco replied: We understand that, but if they're pumping onto the street it becomes a safety issue. At least, we should have something done about that.

Mayor Dickinson stated: I just want to make it clear that we don't than put the pipe from the yard into the catch basin. That's not something we do – is that correct Henry? Henry, we don't connect the private lines to the catch basin.

Mr. McCully replied: Generally, in the past we haven't made a purpose of installing draining simply for that purpose to accommodate homeowners. I believe it's illegal to actually discharge water from your house or property onto a town road. But as I have said before these go back many, many years and if we just simply go to the homeowners and say you can't do this anymore, where else are they going to put it? In most cases where it will end up in will be putting it into a sanitary sewer inside the house where nobody can monitor and know where it is going. This puts an added burden on the water treatment plant.

Chairman Vumbaco said: I'm not asking the Town to go and pump anything. All I would like you to do is look into it. If in fact, they're putting water into the roads and it is expanding out three or four feet onto the roadway and causing a safety hazard, than I believe that it's the Town's responsibility to make sure that that doesn't happen. There might even be a case you have to tell them they can't do it if it's causing a problem. Why don't you just into Cook Hill Road and let us know.
Thanks Henry.

Mr. Philip Wright, Sr., 160 Cedar Street: Mr. Chairman, you appointed people as liaison to various commitees, I don't think you appointed anybody to the Senior Center. I know that there are a number of you who have reached that age and probably use the facility. I'm sure someone knows how much money the Town spent there. It's sort of disconcerting to me to find that when we get a descent cold spell and the next thing you know is that the place is flooded-out. It's either poor engineering or poor construction and it would seem to me that it ought to be looked into by someone from the Town Council.

Chairman Vumbaco replied: I've had a few calls from some people down at the Senior Center. They're very concerned about the water problem and the breakage of pipes. I was planning on having an item on the Agenda and maybe Henry and the Seniors' Center Group can come here and explain what the situation is and correct it as soon as possible.

Mr. Wright stated: So the Council is on top of it so to speak.

Chairman Vumbaco replied: yes.

Mr. Wright stated: I was downtown this morning and came through the parking lot from Meadow Street to the bakery. There are cars that are plowed in. A lot of snow down there it's kind of a mess. Seems to me that if have a municipal parking lot that we ought to be clearing the snow. Thank you.

Chairman Vumbaco asked: Are there any other comments or questions?

There were no other comments or questions.

ITEM #6 Consider and Approve Appointing the Wallingford Public Celebrations Committee for a Term of Two Years to Expire February 2006

This item was withdrawn and will appear on the next Council meeting agenda.

ITEM #7 Consider and Approve a Transfer of Funds in the Amount of \$50,000 from Contingency General Purpose Acct. #001-7060-800-3190 to Overtime Acct. #001-5015-101-1400 -Public Works Dept.

Motion made by Ms. Papale to Consider and Approve a Transfer of Funds in the Amount of \$50,000 from Contingency General Purpose Acct. #001-7060-800-3190 to Overtime Acct. #001-5015-101-1400 - Public Works Dept., Seconded by Mr. Testa.

VOTE: Spiteri absent, all ayes, motion duly carried.

Mr. McCully stated: As described in my letter the early snow storms this year up until the week ending January 14, we've had three instances where we had to pay double time to our employees for snow removal and it eats into our Budget. The Budget we have is the

\$185,000.00 is calculated over five years and each year when I present my Budget, it's a five (5) year average. Unfortunately, we had a bad year last year and it looks like we are running a close second this year. So once the funds are gone and we run into these double time situations it doesn't take long for the funds to dry-up. That's basically it, it costs a lot of money to clear the streets in these instances.

Chairman Vumbaco stated: a good job was being done clearing the streets. Any Comments or questions from the Council?

Steve Knight asked: Henry, this isn't exactly precisely related to this item. But, I would like to ask, weather is creating havoc, cold weather especially. I'm concerned with how we're tracking on the energy standpoint on oil and natural gas. Do you know whether or not we will need to transfer funds?

Mr. McCully replied: Since all of my utility bills are in one account, I won't know that until later on in the year. But obviously, the subzero weather is going to drive-up our energy costs and it would not surprise me if occurs towards the end of the year. But perhaps by then we will have savings in other accounts that we may be able to off-set that.

Mr. Knight stated: So you feel that you may be able to forestall any action necessary until at least April 1st.

Mr. McCully replied: I wouldn't be able to go that far. If this weather continues we will be using a lot of energy. If anybody owns a home it doesn't take much to figure that out.

Mr. Knight stated: Well, that's my question.

Mr. McCully explained: Right now it's just that I have a lot of accounts. Seven buildings, it's a lot of gas, a lot of electricity, water is included. They're all in one account and we will take it to the end of the year and we'll see where we are or as close as we can. If we need a transfer, we may not, I really couldn't tell you that right now, but as I sit here, we don't need one now and I won't need one next week.

Gerry Farrell asked: Henry, are there ways that you can reduce the over-time. I'm specifically thinking so many people mentioned to me the removal of snow from the sidewalk around Center Street Cemetery that if I'm correct we do that at night time because there aren't cars there. That's not a high priority when contingency is getting pretty low.

Mr. McCully answered: Well, when we do have a snow storm we bring in all of our personnel to Public Works, that includes mechanics and laborers. We put out 23 full-size snowplow trucks, two small dump trucks, two payloaders and there is a payloaders that

loads the trucks, that's when they're all running. Garage personnel have to keep the trucks running. If they run into problems on the road they have to go out on the road and fix them. We have, I believe, close to five or six miles of sidewalks that the Town of Wallingford owns and where each day we are putting a notice in the paper to encourage residents to clear their sidewalks. The first call that I get after every storm, is when is the cemetery sidewalk going to be cleaned. But, it's not only that we have sidewalks throughout Town. We have them around the railroad station, sidewalks border our parking lots on So. Cherry Street up by Simpson School and bridges that we own, we have to clear those bridges. So, we have the same - dual responsibility as homeowners and to tell these people to stay home and we'll get it all the next day and there's a foot of snow, it becomes a real task.

Mr. Farrell stated: What I'm referring to is many times I've seen that a day or two after the snow storm that there was a preliminary clearing of a bunch of these areas and then Public Works goes back at nighttime using a lot of overtime to go back and take out every ounce of snow out of some of those areas. It's a nicety for the downtown

Mr. McCully answered: I understand what your describing. Earlier this year, the snow storm in December, that was before Christmas, as you know there are many merchants in Town and if you're an elderly person you have to park your car in the street and then you have to maneuver over two or three feet of snow that has been placed there by the state snow plows. We have traditionally brought in crews, we bring them in at midnight usually following the day after the storm to remove the snow. We do the downtown area for the merchants. The next day we go on and clear out Simpson Court because

parking becomes a real problem. We only do that when we have a real heavy snow storm. I'm sure you've noticed that hasn't taken place with the recent snow storms.

Mr. Farrell said: I'm sensing though that you're about to, because the amount -

Mr. McCully interjected: they revised their amounts for the snow storm. If they're small amounts its something we can do during the day, we can maneuver around during the day, but when we have high and huge amounts of snow to haul out, it's just much more efficient to do it when the residents are not there trying to park.

Mr. Farrell: I guess all I'm saying is try to look for a way to economize on some of the overtime by trying to do some things that we can legitimately do during normal time.

Mr. McCully stated: On those cases, too, when we come in to remove the snow we don't bring in everybody, it's a select few that we bring in.

Vencenzo DiNatale asked: Regarding sand and salt supplies do you anticipate that you will be over-budget?

Mr. McCully answered: We just increased the purchase orders for our sand and salt and we will be OK for this storm and probably we have another thousand yards (1,000) coming in another three fifty (350) tons of salt. Last week we had three snow storms and each can go very quickly. Right now, I don't need any money for materials and supplies - that would be salt and sand.

Vincent Testa asked: Could you explain the letter you gave Mayor Dickinson requesting the transfer - it wasn't clear enough to me as to what you were referring to. Specifically you mentioned expenditures from the original appropriation of One Hundred Eighty Five Thousand Dollars (\$185,000.00)

Mr. McCully explained: Yes, our original appropriation of One Hundred Eighty Five Thousand Dollars (\$185,000.00) is for all over-time within the Public Works Dept. It's not strictly for snow. We expended Sixty-Two Thousand (rounded off) Dollars and that includes Town events such as Celebrate Wallingford, cleaning the parks Saturdays and Sundays beginning early May and all tournaments for baseball, softball and any other events we would have to schedule over-time for. Also, that would cover emergency

call-ins throughout the year. During our road reconstruction season, the Public Works hours are 7:00 A.M. – 3:30 P.M. Normally, the contractors we work with work til 5:00 P.M., so there's an hour, two hours a day for the individuals that were assigned to those crews.

Mr. Testa replied: That explains the fee. This is one over-time account that covers all of your overtime.

Mr. McCully: That's correct.

Mr. Testa said: O.K., Thank you.

Chairman Vumbaco asked: Any other questions from the Counselors? Any questions from the public?

ITEM #8 Presentation by the Director of Public Utilities on a Contract with CMEEC approved by the Public Utilities Commission, Pending Legal Review – Mayor

Motion made by Ms. Papale to have a Presentation by the Director of Public Utilities on a Contract with CMEEC approved by the Public Utilities Commission, Pending Legal Review.

Raymond F. Smith, Dir. Of Public Utilities: Many months ago with the former Town Council, authorization was given to go back and re-negotiate or re-arrange for power a supply contract which carries us beyond 2004. Just a brief History – Back in 1994 and starting in 1995, but in 1994, we executed a Contract which was essentially a three party contract between Wallingford, CMEEC and Northeast Utilities and that would cover the bulk of our power supply for the decade. Well, believe it not the decade is about to end December 31, 2004 and as we have had discussions before this body that we would have to look forward to what kind of arrangements we would have beyond 2004, starting 2005. CMEEC has been out in the market place over the past one to one-half years (1 to 1-1/2 yrs.) in acquiring through our "P" process different resources. Some of those resources are identified in the packet. Now not all of those arrangements or resources are accounted for at the present time because the market place is in flux still

and there's new rules being implemented by the ISO (Independent System Operator) of New England. New Charges have been created that didn't exist even twelve (12) months ago. Congestion charges, loss charges. So the whole wholesale power utility business is still going through the transition. We're still seeing some of the after affects of deregulation as the emphasis was not that long ago. This is a side bar, I happen to catch the Attorney General on the talk show the other night. I guess it's official he declared that deregulation is an official disaster in the State of Connecticut, which I happen to agree with him and I think its not benefited the consumer at this point. I think the outlook in the short-term is not good. But, back to the point, we're concerned about Wallingford and what we can do best for Wallingford Electric division customers. I think our arrangements for the past nine years with CMEEC have been excellent and I think it's one of the leading causes of our better or more favorable power supply costs or retail rates. Currently, we have a pretty good differential between our rates and Northeast Utilities and United Illuminating and it's somewhere in the order of let say— 35% to 40% for an average residential user. That has grown over the past several years.

1. Both NU and UI have instituted surcharges or fuel adjustment. As a fuel adjustment charge instead a market designed adjustment which is attached to anybody that has an NU or UI bill. In Addition as of January 1st. UI and NU customers were both the beneficiaries with a smile of a rate increase. They each had about a 10% rate increase which was approved by the DPUC late last year. So, again, this margin or this differential has grown not because our rates have dropped – and our rates have been steady since 2001, but more because of their charges continued to increase. Both of those entities recently went into the market to look for supplies in the 2004-2005 and that was part of the reason for their increases that the wholesale market prices are up substantially. What we or what the Commission has approved and based on my recommendation is that we continue our relationship with CMEEC and we've given you a copy of the contract extension. I think you each should have received it from the Mayor's Office and I'll just give you quick summary of the changes and there are a very few changes in that agreement.

The Term is extended through December 31, 2009. The fixed cost after January 1, 2005, have been modified to reflect the fact that Wallingford's prepayment obligations with respect to the CL & P Power Supply are fully paid off as of January 31, 2004. Again, going back to the old agreement, one of the conditions of that agreement back in 1994, that we made a prepayment

to NU and we essentially bought out of an earlier contract so there was some debt service incurred by CMEEC that was paid by Wallingford and I think it totaled about Thirty Four Million (\$34,000,000.00) Dollars. It passed through and it was part of the rate structure and we will fulfill that debt service obligation at the end of this year. The amended contract is a full requirements contract similar to what we currently have and provides Wallingford the right to continue it's share of the power supply entitlements contracted by CMEEC that extend beyond the term of the amended contract. For example, if in 2007, there is a pretty good project we can get for four years, we can sign on for that four (4) year agreement even if the CMEEC Agreement were to expire in two years. Those entitlements would again become the obligation of the Electric Division, just as today under the old contract, if we were to part ways we're obliged and required to take our share of those entitlements that have been acquired on our behalf and the other members would take their proportional share. Termination of either party other than the default requires a two years notice. It currently is a three years notice provision in the agreement and as I have said, in the event of an early termination, if we choose to terminate within a year or two in other than a default, Wallingford would receive it's share of the certain long term power supply resources that are contracted through CMEEC. For example, in the year 2005-08, there's a contract with Constellation Power, an agreement with Constellation Power. The Wallingford share of that is about 8.48 mega-watts. In 2005, there's an 11.6 mega-watt share of Pilgrim. Pilgrim being a Nuclear Plant in Massachusetts. That contract expires at the end of 2005. There will be supplemental replacements. There's some New York power, Niagara NIPA Power that has been allocated to the various entities. Wallingford's share is roughly about 4-4.6 megawatts. That's power that flows from Niagara Falls credited to us. There is Energy Contract for about 26 megawatts. It runs from 2005 through 2007. You notice that I haven't said anything about 2008 and 2009. There's not a lot of company firm suppliers that are interested in committing power supply beyond the date of 2007. In fact, people kind of withdrawn right now. If you went out to the market today, it would be a mistake because power prices are very high even long term. They tend to go down in the fall and before you get into the summer. The market and the suppliers react to what's happening in the day to day market. As an example, last week, actually January 14, prices on the whole sale market got up to 89.5cents a kilowatt hour at 6:00 P.M. at night. Normal prices might be in the

5 and 6 to 7 cent range. You get up to 89 cents – what's driving it? There's a number of factors driving it – one is natural gas. A lot of power plants are now running on natural gas. The problem is that there's not enough gas to go around and obviously residential users get first priority. In some cases, people who have contracted, have long term contracts with natural gas. Let's say they bought it at \$5.00/Million BTU's back in November. Rather than to use it to generate electricity, people were off-loading it and reselling it back to suppliers, providers and selling it for gas at \$40.00. You make a lot more money selling gas than they can make selling electricity. Going back to the comment about deregulation, unfortunately, this is one of the out-growths of deregulation. The people who provide energy electricity are no longer committed to make sure that the lights stay on. Their job is to make money. How do you make money? If you have an opportunity to sell gas that you bought at \$5.00 and resell it at \$40.00, that's what they're doing. It is my opinion that even some people with small generation projects the so called distributed generation which is supposed to be one of the ways to deal with the shortages that we have, the people who put in these smaller plants, I'm saying one to five mega-watts, look at this opportunity and say well, I can buy electricity from the grid or from the region for this short period. But, I can make a lot of money, eight fold from my gas. I think that when this investigation, that has been started and being looked into, I think that's what we are going to find. It's exactly what happened in California when people had opportunities to make money in a different market they could. There's no obligation to make sure that they have to produce electricity because their business is to make money for their shareholders or owners. So it's some of the influences that are affecting electricity buying. Then, again its some background for you. That's why I say, we don't have a full portfolio even for 2005, currently, because you look into the market place and we do it through CMEEC who has a lot of expertise in that area and say OK is this the right time to go in there to the market to see what kind of response we get. Other aspects of the power supply business . It used to be there was Northeast Utilities or United Illuminating and they had concrete, mortar, steel and they had the power plants. Now you have different entities into the business. Some people own power-plants, some just buy and sell or package power supply arrangements. Some of those folks you really don't want to do business with, because, using ENRON as an example, you're not sure they're going to be there for the longer term, making all that t commitment with ENRON.

We don't want to put ourselves in that position that we have a full power supply commitment with one entity and that entity decides to go out of business and you have some securities hopefully, and some guarantees, but you have to go around scrambling to make sure you can get the power supply and that someday your back and fighting in court over what the price was or the guarantees were. We don't want to put ourselves in that position. At CMEEC and in conjunction with the other towns we made a conscious decision that any contract with any particular supplier will be limited so we don't want to deal with one entity, but we want to deal with as many as we can. On the other hand, there is not a lot of reliable and trustworthy or credit worthy entities that you can deal with. Firms now look as though it's a two-way street. You look at an entity as a buyer to make sure they are going to be able to pay the bill so they look at CMEEC/Wallingford or any of the other Towns as a fairly stable buyer. But on the other hand, we have to look at the entities that are suppliers and constellation. Some of these firms have to put up a letter of credit, have to put up cash to make sure that if they don't deliver at their price that we're protected. That we as a group are protected. Maybe I've gone astray, and I don't know how much of this is helpful, useful, but that is the background.

The Contract itself is essentially 98% of it or 95% of it. It's the same language that exists in the current agreement between Wallingford and CMEEC. In fact, there's still references to the Pierce Plant, because believe it or not we're going to get a capacity credit in the year 2004, even though we last generated in June of 2000 and the Plant no longer exists. That will obviously end, CMEEC said, We don't think it's appropriate in 2005, to continue given you credit for Pierce Station since it's no longer on the books, but that was part of the original deal. The rates that are charged to Wallingford are similar to the rates charged to the rest of the members. All the administrative costs are shared. We don't pay – we are not obliged for their debt. They do have outstanding long term debt. We are not on the hook for that. The only debt that we incurred was the original debt from the ten (10) year contract. Again, that's the highlights and if you have had an opportunity to read through the contract, I'll be glad to answer some questions.

Chairman Vumbaco asked: Are there any questions by the Council?

Chairman Vumbaco stated that he had a couple of questions: When you were in front of the Council more than a-year-ago when we initially started talking about this Ray, you said that you were looking to get into some short-term contracts in order to try to balance the rates going forward. Is that some of what you were discussing in your Presentation and have we accomplished that goal, because I think you were trying to fix a certain percentage of the energy need on a piece-meal basis through them. I'm just curious how successful we were at that.

Mr. Smith replied: Yes, and that's the contract I listed. Energy Firm is a 26 mega-watt piece and that's a base load of \$36.50 price at the Hub. Just a little more education, if you bear with me. Because of what ISO's done they've recognized different delivery points. The Hub is a transparent clearing house, it's essentially up in Massachusetts. It's central for most transactions, but then to get it into Connecticut, there's a premium you'd have to pay because of the congestion and the problems we have within the State with transmission deliveries. So most of the contracts we prefer delivered to Connecticut. Most entities say, no, we'll deliver to the Hub, it's your obligation to get it down into Connecticut and there are some additional charges that go with that, but Entergy would be delivered to the Hub. Pilgrim, I mentioned expires in 2005, what's a multi-year budget ends in that year, it's 11.6 mega-watts, constellation is about 8.4 mega-watts. That fit that niche that we were looking at the original goal was to try to get the base load component, the base load being the power need you have essentially 24 hours-a-day, seven-days a week without the pumps, and therefore intermediate were peaking and then you get into these extremely cold spells or very hot spells. Then you have some short term resources that you would contract for like PP & L over on John Street or East Street that you would buy from them to cover those needs and they may only occur a couple months a year. So we are on our way to that. At this point we covered 79% of our energy needs for 2005. For 2006 we have 64% and 61% in 2007. Actually, I have a spread sheet. If you would like, I can distribute it.

Chairman Vumbaco replied: I'd like to see it and I think the rest of the Council would too. Rate said the Town is going to be paying. I'm not asking you to predict rates to citizens in the future, but what is the comparison to where we stand right now? Is there any idea?

Mr. Smith answered: Yes, 2004, which is the last year which is predicated on the original Northeast Utilities Contract will be a high year. It will be a high power cost year, and it's the last year of the agreement. We knew it going into the contract as some of you have been around a long time you can remember the curves as they rose in the out-years in the ten year agreement and that's what we bought into. We will have some

very expensive power next year in our budget that we are going to present to you will reflect that and expect to have a significant net loss. But that's been planned and it's been understood. In 2005, our cost will go down, because of some of the resources we have been able to establish and put into place. Secondly, because of the ending or termination of the debt service that we had with CMEEC, so we'll have some savings and so that will allow us to continue our present rate structure at least to 2004 - 2005. I'm saying the earliest we'd look at rate changes probably in 2006. But that means we also we'll be delving in and going into our returned earnings or utilization money some appropriations from there.

Chairman Vumbaco: That's good news. One last quick question in ten words or less - what are we doing with the Pierce Plant?

Mr. Smith answered: We gutted it for the most part, and unfortunately we've put that project on the shelf for now. We are still using it for storage. We've had discussions with a number of people.

Chairman Vumbaco: Go on Ray

Mr. Smith continued: We've had some discussions with various groups. It's very difficult building to reutilize because there are a lot of nooks and crannies and it doesn't lend itself to an easy alteration to something else. I don't know if you recall it didn't have a central heating and ventilation system in there. There's about three (3) stories of open space in certain areas and there's galleys, corridors and hallways. So, we really haven't done anything with it. One thing I'll mention is we had somebody approach us that might be interested in leasing some additional property behind the building, between our building and the wall that PP & O built back there for two, three, four year period. My indication to them was that it was do-able but certainly they'd have to come back and make a presentation for the Town Council and ultimately the authority lines for the Council if there is a lease or rental arrangement just as we went through the first time. They would prefer, obviously, to leave the building there as part of the barrier. They'd like to add some temporary generation to that site. But that's dependent on a reaction or response from the ISO New England at this point.

Chairman Vumbaco: Thank you. Are there any questions from the Public?
No questions from the Public were noted. Thank you Ray. Good presentation.

No Action Taken

Motion made by Ms. Papale to have an Update Regarding the Northeast Utilities Transmission Line Project and the CT. Sitting Council's Public Hearing Scheduled for February 5, 2004, 7:00 P.M. at Sheehan High School Regarding Said Project – This will be addressed by the Mayor.

Mayor Dickinson: Thank you. I want to make mention Morris Scully from CMEEC is here, seated here, so you should all be aware of. I don't think Ray mentioned that.

Ray -

Ray Smith: No, I had asked Mr. Scully to be here. Mr. Scully is the Executive Director of CMEEC and I think several of you have met him before – a couple of new Council folks haven't. I just asked him if he could be in attendance in case any questions came up specific to the agreement. Mr. Scully, just introduce yourself to the Council.

Mr. Morris Scully: Morris Scully from CMEEC, it's a pleasure to be here and I think I know most of you, but for those that I don't know, it's a pleasure to meet you. Thank you.

Mayor Dickinson: Thank you, I just thought it was important, I didn't want him to think that we weren't interested in his presence or CMEEC. Certainly, it's been a good relationship and we want it to continue, so thank you for being here. Thank you Ray.

Mayor Dickinson continued: This is an update on the Transmission Project and as you're probably aware, we have hired three people to be assisting us on the CL&P/UI Project which would put over-head transmission lines through Wallingford. First of all, as you know, we hired Attorney Bochette, Peter Bochette and Wallingford and Durham hired Atty. Bochette. Through November 30, 2003, we paid Thirty One Thousand Eight Hundred Ninety Five Dollars (\$31,895.00). A facilitator was hired, Joseph Lamartine. Twelve Towns hired the facilitator to act as a liaison between the Towns to try to find common ground as far as the view points, the attitudes about the Transmission Project and encourage a cohesive front when dealing with the Siting Council, CL&P and UI. The total contract in that case was Twenty-Eight Thousand

(\$28,000.00) plus an amount for reimbursables. Wallingford is obligated to Six Thousand Twenty-One Dollars (\$6,021.00) as far as that total. We also hired SINAPS an electric energy expert. The total on the first part of that contract is Fifty-Seven Thousand Dollars (\$57,000.00). Fifteen Towns have signed on this too, that effort and work Wallingford shares Eight Thousand Five Hundred Twenty Seven Dollars (\$8,527.00). You probably aware there's a Hearing scheduled for next week, Thursday, February 5, at Sheehan High School Auditorium at 7:00 P.M. at which time the Siting Council will be in Town to hear comments from members of the Public. So those who have concerns or questions are encouraged to attend that meeting. We will be sending a letter out to some thirteen hundred residents who live in the vicinity of the Right-Of-Way through Town. The Right-Of-Way covers about almost ten (10) miles of area through Wallingford. So, those people certainly will receive direct notice, but anyone else is welcome to come and make their presence known, even if just to listen. It's important to show that the community is concerned and would like to see a project that is best for everyone.

Finally, the Hearings of the Siting Council will begin in late March. That's the official hearings, they're evidentiary in nature, the Siting Council listens to the arguments presented by the utility companies, listens to the other parties – Wallingford is one of them, the other municipalities and those arguments are all taken, heard by the Siting Council and then ultimately the Siting Council makes a decision as to the route for the transmission line. With those comments we can try to answer any questions, the Town Attorney and I.

Chairman Vumbaco: Thanks Mayor, are there any questions from the Council? I have one Bill, what's Wallingford's presentation or what's Wallingford going to be doing Thursday night, February 5. Will we be making a presentation to the Siting Council with public comment, just like any other person? I guess the question is what will the Town be presenting?

Mayor Dickinson answered: I'll be making a statement on behalf of the Town, I don't expect it to be lengthy but raising in broad fashion our concerns and asking for the Siting Council's careful review of the project and to look very seriously at underground facilities.

Chairman Vumbaco stated: I believe at the last meeting or at a discussion we had with some of the people from Woodlands, they had just said make sure you keep people in general, that approach that night is to keep it factual and keep your motions out of it

because they said the Siting Council members don't take any of that into consideration. They want to see facts and figures and what have you.

Mayor Dickinson: Right, part of our mailing will include some information put together by Woodland's coalition regarding what the Siting Council is looking for and how to package comments in the most effective way.

Chairman Vumbaco: Good. Janis -

Attorney Janis Small: I just want to add that each speaker will be given at least 3 minutes, and if there is something in particular you want to say you may actually want to also commit it to writing and give them a copy of your written testimony. They encourage that if the speaker in front of you has said exactly what you are going to say, in stead of repeating it, just basically make a brief statement that you concur with what's been said in front of you and if you have something handwritten to hand it in. But, it's mainly their opportunity to listen to the public. So, it's not like they're not taking evidence and what not but just hearing from the public and it's not just Wallingford. It includes Meriden and Cheshire, so if residents from those communities wish to speak, this will be their opportunity to do so at this hearing.

Chairman Vumbaco: Thank you Janis. Any other questions or comments from the Council? From the Public? Ray -

Ray Smith commented: I attended the session down in Milford a couple of weeks ago. Just so the Council is aware that any public official would be recognized first and generally not limited to the three minutes that they ask the public to up-hold. In fact, they have a clock/timer for the public. Because there are so many, it would be unfair if somebody got up and took 35 minutes and people had some commitments and would not be able to stay. So obviously, there's a reason for it. But, if you plan to speak, try to get there early, they'll recognize you and take public officials first. You do need to sign up and they'd like about 20 copies of any testimony you provide. So, just to give you a heads-up.

Chairman Vumbaco: Thank you Ray. I, along with the Mayor encourage any public person that is concerned about this to show-up that night. It's an extremely important issue that's facing the Town of Wallingford. With that said, thank you for the report, Mayor.

ITEM #10 - Executive Session Pursuant to Section 1-200(D) of the CT General Statutes Pertaining to the Purchase, Sale and/or Leasing of Property.

Motion made by Ms. Papale to go into Executive Session Pursuant to Section 1-200(D) of the CT. General Statutes Pertaining to the Purchase, Sale and/or Leasing of Property.

Seconded by Mr. Testa

VOTE: Spiteri absent, all ayes.

Motion duly carried.

Council is in Executive Session at 7:33 P.M.

Motion made by Ms. Papale to come out of Executive Session

Seconded by Mr. Parisi

VOTE: Spiteri absent, all ayes. Motion duly carried.

Council came out of Executive Session at 7:54 P.M.

Chairman Vumbaco: Before we ask for the adjournment, I failed to make an announcement /introduction to Anna Nolan, she is a temporary hired Secretary to the Council and I apologize to the Council and to the Public for not mentioning that sooner. Welcome for now, Anna.

Anna: Thank you.

Motion to Adjourn.

Ms. Papale made a motion to adjourn.

Seconded by Mr. Parisi.

VOTE: Spiteri absent, all ayes

Motion duly carried.

There being no further business the meeting adjourned at 7:55 P.M.

Approved by: James Vumbaco
James Vumbaco, Chairman

February 24, 2004
Date

Kathryn F. Zandri
Kathryn F. Zandri, Town Clerk

February 24, 2004
Dated

Meeting Recorded & Transcribed
By:

Anna Nolan
Anna Nolan

Interim Town Council Secretary

RECEIVED FOR RECORD

2-17-04

AT ___ H ___ M ___ M AND RECORDED BY

Kathryn F. Zandri TOWN CLERK