



N O R W I C H  
BOARD OF PUBLIC UTILITIES' COMMISSIONERS  
SPECIAL MEETING

March 3, 2009

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The Special March Meeting of the Norwich Board of Public Utilities' Commissioners was held on Tuesday, March 3, 2009 in the 2<sup>nd</sup> Floor Training Room of Norwich Public Utilities, located at 16 South Golden Street, Norwich, Connecticut.

Item 1. The Meeting was called to order at 6:00 P.M. by Chairman James Sullivan.

Present: Chairman James Sullivan, Vice Chairman Diana Boisclair, and Commissioners Stanley Israelite and Alan Remondi. Absent was Secretary Frank Demicco. Also in attendance were: General Manager John Bilda; NPU Staff Members Steve Sinko, Chris LaRose, Jeff Dewey, Jeanne Kurasz and Michele Addabbo.

Vice Chairman Boisclair, seconded by Commissioner Israelite moved to appoint Alan Remondi as Acting Secretary. Unanimously approved.

Chairman Sullivan asked for a motion to suspend the rules to change the sequence of agenda items, moving Agenda Item 7 to the next order of business, followed by Agenda Item 4 for action. Motioned by Commissioner Israelite, seconded by Acting Secretary Remondi. Unanimously approved.

Item 7. Executive Session. Acting Secretary Remondi, seconded by Commissioner Israelite moved to enter into Executive Session at 6:05 p.m. to Discuss Confidential Trade Secret & Commercially Valuable Confidential or Proprietary Information Not Subject to Inspection or Public Disclosure Pursuant to Section 1-210[5] and 7-232a of the CT General Statutes. Unanimously approved. General Manager Bilda, Steve Sinko, Attorney Paul McCary, Maurice Scully, Executive Director of CMEEC, and Attorney Phil Sussler were asked by the Board to stay for the purpose of providing proprietary information.

The Board arose from Executive Session at 6:40 p.m.

There were no votes taken during Executive Session.

Item 4. Action Items. Resolution Authorizing the use of Norwich Public Utilities' Competitive Municipal Trust Fund at CMEEC.

Commissioner Israelite, seconded by Vice Chairman Boisclair moved to place the following resolution on the floor for discussion and vote:

NORWICH PUBLIC UTILITIES  
BOARD RESOLUTION  
MARCH 3, 2009

Whereas Norwich Public Utilities (“NPU”) and the Connecticut Municipal Electric Energy Cooperative (“CMEEEC”) are parties to a Power Sales Agreement (“PSA”) requiring NPU to purchase all of its electric requirements from CMEEEC;

Whereas the PSA obligates NPU to pay certain CMEEEC costs (including fixed cost obligations and other power supply related expenses as more particularly defined in the PSA) incurred in arranging for a power supply for NPU and other members of CMEEEC;

Whereas CMEEEC, NPU and other members participating in CMEEEC have established and funded a Municipal Competitive Trust (the “Trust”) to cover certain costs more particularly described in the Trust including the costs for the acquisition of power supply not otherwise budgeted or reserved;

Whereas CMEEEC’s existing \$35 million line of credit with Wachovia Bank, normally used for liquidity purposes, has been utilized to retire other CMEEEC long term debt that had been issued in the auction rate market prior to the collapse of that market;

Whereas as part of its response to recent changes in credit markets, CMEEEC is in the process of reconfiguring and refinancing certain credit facilities used for power supply purposes including providing the financial liquidity needed to participate in certain power supply arrangements and related risk management tools (forward commodity purchases and similar agreements), all as more fully described in a letter from Maurice Scully, CMEEEC CEO dated February 27, 2009;

Whereas pending the long term refinancing by CMEEEC of existing debt originally issued to support the construction of the Pierce Power Station (expected to issue on or before April 30, 2009), CMEEEC requires access to additional credit liquidity to ensure that it will be able to meet its obligations to post collateral under a number of electricity and fuel commodity risk management agreements;

Whereas CMEEEC’s financial advisors and underwriters expect this refinancing to conclude successfully in less than 60 days; and

Whereas NPU is the beneficiary of approximately \$10 million of the funds in the Trust and NPU believes that loaning such funds for a period ending no later than June 1, 2009 to CMEEEC to provide temporary liquidity is in NPU’s long term interest;

Now, therefore, it is hereby

Resolved, that NPU, acting by and through its Board of Utility Commissioners and pursuant to Article 4 of the Trust, hereby requests and approves the release of up to \$10 million of Trust funds with respect to which NPU is the beneficiary for the purpose of lending those funds to CMEEEC to meet its temporary liquidity needs as described above, provided that each such release of funds requested by CMEEEC shall be evidenced by a promissory note delivered by CMEEEC as the borrower to NPU as the lender and provided further that as consideration for making these funds available CMEEEC shall pay to NPU on or before March 10, 2009 a

commitment fee comparable to the commitment fee charged by Wachovia Bank for a similar line of credit for the outstanding period;

Resolved, that any amounts paid to NPU by CMEEC pursuant to such note shall be repaid directly to the Trust;

Resolved, that the General Manager be, and he hereby is, authorized to deliver a written transmittal on behalf of NPU pursuant to Article 4 of the Trust requesting that up to \$10 million of Trust funds with respect to which NPU is the beneficiary in accordance with and for the purposes set forth above.

Hearing no discussion, Chairman Sullivan called for a vote. All those in favor were to indicate by saying aye; those opposed were to indicate by saying nay.

Aye  
James Sullivan  
Stanley Israelite  
Diana Boisclair

Nay  
Alan Remondi

Chairman Sullivan declared with a vote of 3-1, the ayes had it, and the resolution approved.

Commissioner Israelite, seconded by Vice Chairman Boisclair moved to recess the Board Meeting at 6:41 p.m. and enter into the Sewer Authority Meeting. Unanimously approved.

The meeting resumed at 7:00 p.m.

Item 2. Fifteen-Minute Public Comment Period. No members of the general public commented at the meeting.

Item 3. Minutes of the Regular January Meeting, which was held on Tuesday, January 27, 2009, and Minutes of the Special Meeting, which was held on Monday, February 9, 2009. Acting Secretary Remondi, seconded by Commissioner Israelite moved to approve the Minutes of the Regular January Meeting, which was held on Tuesday, January 27, 2009, and the Minutes of the Special Meeting, which was held on Monday, February 9, 2009. Unanimously approved.

Item 5. Performance Reports. The following performance reports were provided to the Commissioners for their review:

- a) Financial Reports: The January 2009 financial statements were provided to the Board for their information. General Manager Bilda informed the Board that the Fiscal Budget for 2010 will be presented at the next regular meeting.
- b) Collections Reports: Informative.
- c) Customer Satisfaction Indicators: Informative.
- d) Auditors Report: Informative.

Item 6. NPU Tactical Information. The following tactical reports were provided to the Commissioners for their review:

- a) Operations & Construction Report.
  - Rental Hot Water Heater Presentation. Tabled.
- b) Water Division Report. Informative.
- c) Communications Calendar. Informative.
- d) Energy Efficiency Initiatives. Informative.

- e) Construction Status Report. Informative.
- f) PGA/PPA. There were no changes to the PPA this month. The PGA was decreased effective March 1, 2009.
- g) Other.
  - Stimulus Package. Informative.

Item 8. Other Business.

Item 9. The next Regular Meeting is scheduled for Tuesday, March 24, 2009.

Commissioner Israelite, seconded by Acting Secretary Remondi moved to adjourn the Meeting at 7:15 p.m. Unanimously approved.

Attest:

Alan Remondi  
Acting Secretary