

**MINUTES OF THE CHESHIRE TOWN COUNCIL REGULAR MEETING HELD
ON TUESDAY, MAY 9, 2006 7:30 P.M. IN COUNCIL CHAMBERS, 84 SOUTH
MAIN STREET, CHESHIRE CT 06410**

Present

Matthew Hall, Chairman; Vice-Chairman Matthew Ecke; Council Members
Matthew Altieri, Elizabeth Esty, David Orsini, Thomas Ruocco, David Schrumm,
Diane Visconti, Timothy White.
Town Manager Michael A. Milone
Economic Development Coordinator Jerry Sitko
Fire Chief Jack Casner

1. ROLL CALL

Chairman Hall called the meeting to order at 7:35 p.m.

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. PUBLIC COMMUNICATIONS

A. Recognition of Elim Park's 100th Anniversary

On behalf of the Town Council and the Town of Cheshire, Chairman Hall presented a Certificate of Recognition to Ronald Dischinger, President of Elim Park, honoring the facility's 100th anniversary.

Mr. Dischinger thanked the Council and the community for this recognition and expressed appreciation on behalf of Elim Park. He gave a brief history of Elim Park, noting the facility purchased 21 acres in 1959 on Cook Hill Road for \$37,500, and built the first section of the facility. Elim Park has enjoyed its relationship with the Town of Cheshire and Mr. Dischinger said the neighborhood has been terrific for the Elim Park residents and staff.

B. Public Comments

Ellen Carson, 34 Peck Lane, reported to the Council that she has a petition with 3000+ signatures in support of the elderly tax freeze in Cheshire. The committee has met with Rep. Adinolfi who has offered his support of this effort and who will work with the group. Ms. Carson said there is overwhelming feeling in Town that people at age 65 should have a tax freeze so they can continue to live in Cheshire, and many young people have signed the petition. She thanked everyone who signed the petition for their support.

Cindy Kleist, 251 Lancaster Way, addressed the Council on the need to establish a Police Commission in Cheshire. She introduced Martin Ruff, a member of the Hamden Police Commission. Ms. Kleist read a prepared statement into the

record. In her statement she outlined the makeup of a Police Commission as appointed or elected members with the authority to hire and fire officers and the chief. Other towns such as Easton, CT, have a police commission and Ms. Kleist outlined the procedures under which the commission works. She stated that Cheshire cannot have a police department without checks and balances. She also stated her support for the police department. It is her recommendation that the Public Safety Committee powers be expanded to include the powers of a police commission.

Chairman Hall stated that if there is interest in this recommendation for a police commission in Cheshire it would be forwarded to a sub-committee of the Town Council for review and consideration.

Mrs. Visconti thanked Ms. Kleist for her statement to the Council and her commitment to the community.

4. CONSENT CALENDAR

MOTION by Mr. Ecke; seconded by Mr. White.

BE IT RESOLVED, that the Town Council approves Resolution #050906-1

RESOLUTION #050906-1

BE IT RESOLVED, that the Town Council approves the Consent Calendar for May 9, 2006 as follows:

- A. Acceptance and appropriation of \$578.10 donation from the Cheshire United Methodist Church for fuel and utility assistance for needy residents.
- B. Acceptance and appropriation of a \$650.00 donation from Patrick Mitchell for the purchase of bulletproof vests.
- C. Acceptance and appropriation of a \$50.00 donation for a memorial bench for Jack Mitchell.
- D. Acceptance and appropriation of a \$650.00 donation for theater program equipment and supplies.
- E. Authorization to apply for, and acceptance and appropriation of, a State of Connecticut DOT Holiday DUI Enforcement Program Grant For Memorial Day and Fourth of July Holidays.

VOTE The motion passed unanimously by those present.

**5. ITEMS REMOVED FROM THE CONSENT CALENDAR
NONE**

6. OLD BUSINESS

A. Status of Strathmore Dam review.

Town Manager Milone advised that the Environment Commission and Parks and Rec Commission have forwarded reports on the issue of the dam. This matter can be referred to both the Budget and Planning Committees of the Council for review.

Chairman Hall stated that the Environment Commission made a recommendation without any reasoning, and he asked for staff to provide background on this recommendation.

Mrs. Esty asked whether the DEP evaluation of the dam was received by the Town, noting she was not sure what questions were asked or what information DEP had before it. Prior to the Council looking at this with the Budget and Planning Committees, she would want to see the DEP report, what they saw, what they were responding to, update about any further negotiation, if there has been an inspection of the dam, and estimate of repair costs.

Attorney Knott reported that he attended the meeting of the Environment Commission which took a view of this dam situation and discussed whether it was a good idea to have this be part of the open space. Attorney Knott said he was not part of their deliberations. In terms of inspections, the State has made inspections; the DEP report has not come back yet; there is no question that this report is a key piece of information before any action can be taken. He will provide the Council with a packet of information involving certain legal aspects of the issue. There is more information to come in on the dam.

With respect to liability, Mrs. Esty said this was an issue of concern with the Parks and Rec Commission. Without knowing the status of the dam, whether it has been repaired or not, and she fears if there is not enough information to make an assessment, their advice may not be as useful to the Council as it might be if they had the same information available to the Council.

According to Attorney Knott this dam issue is not of the highest priority to the DEP Dam Safety Unit.

Stating her agreement with the comments made, Mrs. Visconti said she read an editorial which said the Town of Cheshire should just drain the pond, and the feasibility of this should be looked into.

Attorney Knott said that until the Dam Safety Unit report comes in, timetables cannot be set; this report is the benchmark; and without that information we would be acting in the dark.

With regard to draining the pond, Mr. White said he discussed this issue a few years ago with Mark Kasinskas who told him that the definition of a wetland begins 40-70 years after the water is on the surface. To go down this path there will be wetlands issues encountered.

Attorney Knott said this is wetlands now.

Chairman Hall advised that this matter will be a standing agenda item for the Budget and Planning Committees pending receipt of the DEP Dam Safety Unit report.

7. NEW BUSINESS

A. Presentation on fuel cell energy savings proposal for Community Pool.

Richard Ogurick, 1121 Wolf Hill Road, Chairman of the Energy Commission, thanked the Council for the opportunity to present information on energy savings. A report from United Technologies Company (UTC) was in the Council packets, and Mr. Ogurick referred to the report during his presentation.

Mr. Ogurick stated that this is simply a matter of taking gas costs for the pool and cutting them in half with fuel cells. There is no risk to the Town, and at today's prices this is worth about \$2 million over the next 20 years. In the UTC program, next year's gas prices for the pool would be only about \$141,000 versus \$282,000.

In his remarks, Mr. Ogurick said the commission and UTC are here to make a recommendation to the Town Council to accept the proposal from UTC to install fuel cells at Bartlem Park, adjacent to the pool, and grant permission to apply for funding from the Connecticut Clean Energy Fund using the Project 100 Program. This program endeavors to create 100 mega watts of new clean energy power sources or have them under contract to build by July 1, 2007. The waste heat from the fuel cells will be used to heat the pool facility, water, domestic hot water, and the air in the building. UTC would pay all the project costs, capital costs, operating costs, mobilization in the future.

According to Mr. Ogurick, the Energy Commission has studied the UTC proposal using analytical tools, and cannot find any holes in this proposal. The commission has conducted a field trip for Parks and Rec and PW departments to a site in Middletown, CT which has 6 of the same type of fuel cells being

proposed for Cheshire. Mr. Ogurick stated that no member of the Energy Commission has any personal interest in this project.

The BOE has not seen the UTC proposal for the high school which could offer the same advantages for the pool - offering back up power. There is an option to install a fuel cell at the high school pending approval by the BOE, saving 50% of heating costs, without capital costs.

Other alternatives have been looked at by the commission but the costs are much greater, up to \$500,000, with significant operating costs, i.e. the price of natural gas which can go up and down as has happened over the past few years.

There are environmental benefits to this proposal. Cheshire is a Clean Energy Community, one of 25 in the State, and this would promote our clean energy efforts. Emissions from the pool boilers will be eliminated equaling elimination of 350 cars on the road per year. Fuel cells have ultra low emissions, are primarily water vapor, and this would equate to reducing CO2 by almost 4,000 tons per year, with significant environmental benefits.

Mr. Ogurick explained that the pool building would be dehumidified with some of the waste heat; the fuel cells are a back up power supply; there is educational value to the program with a kiosk in the pool lobby; there would be an art contest to decorate the sides of the fuel cell; installation of the fuel cells is safe, quiet, and will be blended into the landscaping around the pool.

With regard to timing, Mr. Ogurick stated there is pressure to make a decision because UTC must make application to the Clean Energy Fund for funding by mid-July. If UTC wins the award, proposals are submitted; those asking for the least amount of funding win the awards; it is a competitive process; and there is no guarantee that UTC will be successful. By the Fall of 2006, UTC should know if it has won the award. UTC will ask for a minimum amount of funding because of their great interest in this project as a Connecticut company.

The Energy Commission and UTC are asking that the Town Council make a final decision on this proposal by May 23, 2006.

Without the Council allocating a certain amount of land at Bartlem Park, on the northeast side, 50 ft. x 100 ft., the project cannot go forward. The fuel cell size is 10x10x18. Five units are the minimum to be requested; 200 kilowatts each; total of 1000 kilowatts. UTC will take care of the steps to apply for the grant; will sell all the power to the grid to CL&P under a contract; payment from Cheshire to UTC Power will be for heat supplied to the pool, at one-half the ordinary cost.

Chairman Hall stated that Council members can ask questions at this meeting, but also requested Council members to send additional questions on this matter to the Town Manager's office in time for the special meeting of May 22nd.

Mr. Ogurick introduced Rob Roche and Herb Healy from UTC Power.

Councilman White stated that the Town must reduce spending on the energy costs of the pool, and we must come up with alternate forms of energy and this is one of them. This is a mini power plant, and is a small step to address distribution issues with on-site generation.

Mr. Healy stated that a fuel cell is a power generation piece of equipment.

There has been some talk about putting a building over the pool, and Mr. White asked about the benefit of the fuel cells being as good with a rigid structure as with a bubble over the pool.

The benefit to Cheshire would be the 50% savings of heating costs with a permanent structure, and Mr. Ogurick said at \$282,000 annual cost for gas, the savings with a rigid structure would be half of that, or \$141,000. On top of that there would be another 50% savings. There is always an annual savings of 50% of heating costs for the pool. UTC is depending on payments to them as part of the project economics.

Mr. Healy said that a building on the pool had not been considered by UTC, but a building would lower heating loss, and total energy requirements would decrease with 50% savings of the decreased costs. All of this would have to be taken into consideration before there is a final response.

Stating he supports the idea, Mr. White also said from his perspective this is moving relatively fast. With a building over the pool it would have to go to referendum, and it is unlikely it would pass. However, this is a key question to be considered by the Council, UTC and the public.

Another consideration having to do with the thermal efficiency of the project was cited by Mr. Ogurick. He said that UTC has done fuel cell projects where they do not recover any of the waste heat. A project which does not recover waste heat does not receive a favorable decision by the Connecticut Clean Energy Fund.

It was pointed out by Mr. White that part of the idea for this being a good deal for the taxpayers is that this is a seedling industry and people are now becoming more aware of the need for alternate forms of energy. He asked about the 07-08 fiscal year for this project, and his thought that the project would be done two years from now.

Mr. Healy responded that the Project 100 Program mandated by the legislature has two publicly owned utilities, CL&P and UI. There must be 100 megawatts of renewable capacity combined between these two utilities under contract by July 2008. The project does not have to be up and running, but a contract must be in effect. He believes this project could be up and running in late 2007.

Mr. Ogurick said the project would miss the 06-07 heating season, but they are trying to make the 07-08 season.

On page 18 of the report, Mr. Schrumm noted a chart shows savings and he asked if this is savings for all 5 cells or just the pool.

Mr. Healy said it is for all 5 cells, annual savings per year, based on the heat demand of the pool.

With 5 fuel cells, Mr. Roche said we have more heat than the pool could use, and that 2 cells could heat the pool. The extra heat could be used for a dehumidification system or it would be ejected to built-in radiators that sit along side the units.

If two units are enough for the pool, Mr. Schrumm asked why 4 would only reduce the costs of heating the pool by half. In stating energy needs, he asked if UTC means energy needs or electrical needs, and why 4 cells would not knock the heating costs all the way down rather than by half.

Mr. Ogurick replied that the waste heat from the fuel cells will be enough to completely supply all of the requirements for the pool; there is more than enough waste heat to heat the pool. The deal is that UTC will sell this heat for half of what the Town would have paid the gas company.

Mr. Healy said that this is part of the business proposal which wraps around the entire project. UTC is counting on revenue from the Town for half the market value of the heat in order to make the overall project benefit UTC.

Mr. Schrumm asked if UTC is subject to large users of natural gas being turned off during peak demand periods.

This is normally a choice made with contracted gas. Mr. Healy said you can be a firm customer of gas or interruptible customer of gas. Under this proposal, UTC is looking to become a firm customer, and this will be critical for the Project 100 program and Clean Energy Fund. This is not mandated but there is encouragement to be a firm customer.

For an emergency shelter, Mr. Schrumm said the high school would be the facility used, and he wants to make sure the gas would still be flowing as this would be a huge side benefit to this proposal. With regard to costs to the Town, he said the savings level cannot be set at this time for 20 years out, and asked if UTC would sign an agreement to this effect. He asked for the variable components; if it is a function of what UTC can sell the power to grid for; what natural gas costs UTC; and how this is determined.

According to Mr. Healy the answer is in the uniqueness of the program, making this a risk free project for the Town. Under Project 100 pricing structure, the legislature decided on a firm fixed price for the electricity to be sold over the entire 20 year term. The cost of the natural gas to the project is basically a pass through under this program. UTC is not at risk for the price of gas either, so the project itself is not at risk for the price of gas, and this is unique to this program.

Mr. Ogurick explained there would be an agreement between UTC Power and The Town of Cheshire. We already know the heat required by the pool is 12,000 MMBTUs. UTC would take that amount of heat load, multiply it by the current price of natural gas in the year calculations are done, and this equals the price ordinarily paid for that gas. This is then divided by 2, and that is the payment to UTC from the Town.

On page 20 of the report, Mr. Schrumm asked about the noise level of the fuel cells as shown on the chart.

Mr. Healy said the fuel cell noise is about the same as a normal room air conditioning unit. There are fuel cells in hospitals, luxury hotels, inside and outside buildings, and noise is not an issue. At this point in time, UTC has put fuel cells at locations all over the world.

The issue of costs was discussed, with Mr. Ogurick stating that to connect the system to the mechanical room at the pool would be borne by UTC. The cost to electrically connect a fuel cell for back up power to the pool or high school may cost the Town a nominal fee.

According to Mr. Healy, the UTC proposal has no capital outlay from the Town of Cheshire even if the BOE and the Council chooses to locate the unit at the high school, and chooses to provide back up power from that unit if the local utility grid has an outage. UTC would propose that the incremental cost of that part of the installation, connecting into the load panel, be taken out of the savings in the first year.

Mrs. Esty thanked the Energy Commission and UTC Power for the detailed review of a complex subject. Under the statute there can be a 10 to 20 year time period, and she asked for explanation of why UTC is going for a long commitment of 20 years, and why it makes sense for UTC and Cheshire.

In reply, Mr. Healy said this would make the project pencil the best economically. UTC is taking into account the longevity of the assets of the 5 fuel cell units, including allowances for maintenance and overhaul. Putting it into a 20 year project rather than a shorter project means the project can be penciled financially more advantageously to the Town of Cheshire, UTC Power, and the State of Connecticut.

On page 9, Mrs. Esty asked about 40,000 hours for the fuel cell stake life, or 4.5 years, and how often the stakes would have to be swapped out.

In this proposal, Mr. Roche said UTC has 10 year technology, and the presentation has an error. Today's product has a 5 year stake life before requiring an overhaul. However, looking ahead a year, UTC is developing 10 year technology which is enabling UTC to deploy more reliable fuel cells in the market place. In this project UTC is looking at 10 year stake life and fuel processing technology, with a major overhaul at the 10 year mark.

Mrs. Esty asked if there is any possibility under the program that the tax credits making the program advantageous and working for UTC disappear, i.e. it would no longer be in UTC's financial interests to continue with this arrangement. Also, is there a possibility of the legislature stating it would no longer pay at this rate. Mrs. Esty asked if this could be done, and if the legislature is under a commitment that this couldn't possibly be broken by them. Also, is there a provision for dealing with that.

Mr. Healy said the power purchase agreement is the dominant financial agreement allowing the project to go forward, and has been mandated by the legislature and enacted by DPUC. There is a small possibility that laws could change; looking beyond Connecticut, the way the nation and world is headed is in the mode of sustainability. And, key to that is clean environmental technology like fuel cells. Everyone would be shocked to see the State take a major step backward, having implemented a clean renewable program like this. It is doubtful this would happen. One reason is environmentally, and on a sustainability basis, it is the right thing to be doing. Connecticut has an indigenous fuel cell industry already, and UTC is part of that. There is competition in Connecticut, and the State is unique in the nation and the world having that indigenous fuel cell industry. Mr. Healy is confident in the program and the risk would be on UTC.

With any funding or law changes, Mr. Ogurick said the risk is with UTC Power, and there is no risk to the Town. There is no plan to remove the boilers from the pool, and if fuel cells are hauled away in the future, we would just fire up our boilers and go back to where we are now.

At this time, Mrs. Esty said a major issue is the revaluation of the pool and what the Town will be doing with it. There is concern about a commitment to a course of action with this proposal that would change where we come out about the pool, without having stepped back to look at the whole picture. Clearly, energy costs are a big part of the picture, but not the whole picture. Mrs. Esty asked for additional information and scenarios on a fixed roof, no roof (summer only pool). These are options the public may be looking at, and in fairness to UTC this should be known. The Council needs to know what would happen to a proposal because it would be unfair to UTC for the proposal to be put together, and a

referendum is held with the voters saying they want a one season pool. This would probably abrogate the agreement UTC would have at that point. In fairness to all, this should be looked at before the next meeting, for UTC and the Council to have knowledge of how this might change the assessment. It is not certain the community will decide to go forward with a bubble for the next 20 years. UTC needs to be aware of this, and the Council must consider this. It is also one of the difficulties with making a decision on this very attractive proposal. If the Town was certain it would have a bubble on the pool, then this proposal looks like a clear win-win, but that is a huge presumption. At this time the Town is trying to get its arms around what is the best choice for the pool. Mrs. Esty stated she has some misgivings on making a choice on the energy commitment, which commits the Town to a certain structure.

Mr. Ogurick stated that one of the impetuses for making this opportunity available for consideration is that it does create a significant winter time energy savings of about \$200,000, or one-half of the pool subsidy. It is a way of keeping the facility open during the winter months. Without this proposal, the alternative may be to shut down the pool. This proposal should be given serious consideration as a way to save the pool and continue to operate it as originally designed.

Stating the report was tremendous, Mr. Altieri said he reviewed it and was glad to know the maintenance of the fuel cell has been covered. He asked about any advancements in this technology and whether Cheshire would see the benefits, i.e. the updates and if the Town would get the latest version.

According to Mr. Ogurick that decision would be up to UTC because the economics of the proposal are under the current design, the 10 year life technology. If UTC develops better technology it would be up to them to retrofit each unit to take advantage of those efficiencies.

Mr. Altieri asked if this could be agreed upon before hand, or if it is part of the proposal.

As long as new technology generates enough waste heat for UTC to fulfill their agreement to supply it to the pool, Mr. Ogurick said the Town does not care what technology is used.

In this business, Mr. Healy said there is continual improvement of the product to be competitive. To the extent improvements are made, and UTC will, by inserting those improvements into the project, gives a more cost effective life cycle on the remaining life of the project. This is exactly what UTC would do. Typically, those improvements do give a lower life cycle cost, and UTC would be doing this. UTC has an obligation to the Town of Cheshire to serve the thermal needs. If the project went forward with back up power to one of the units for the schools, then there would be an additional obligation. UTC has a significant

obligation to the local utility that they sign the agreement with, to supply a minimum amount of energy every hour, every day, every month, every year.

Mr. Altieri questioned how long the technology has been in use in this kind of application, and the record for glitches or problems which arise with a fuel cell, and how long we could be off line.

If the fuel cell installation should fail to perform, Mr. Ogurick said the agreement would cover that to the extent that if boilers have to be run in the winter to heat, there would be reimbursement to the cost of running the boilers.

Mr. Healy said UTC has 7 million kilowatt hours produced from these units that they put out. They have been putting these units out commercially all over the world since 1992, and basically the same fuel cell power plant which would be in Cheshire. There are 300 units out there, in 19 countries, on 5 different continents, and UTC has done pool applications before, with pools being an excellent thermal application of a fuel cell. All units put out by UTC are operated 24 hours a day, 7 days a week, 365 days a year. There are many parts in a fuel cell power plant, major and small parts, and the stake is the single major component inside the power plant. Historically, there are few failures, but there have been failures of the cell stakes, and if one fails it must be changed out. This would result in the power plant being out of service for 2 or 3 days for the most major outage with the unit.

In this proposal there are 5 units, with each unit completely autonomous relative to the other 4 units. A unit may fail for one hour or one day, but that will not impeded UTC's ability to provide all the thermal requirements to the pool facility. There is redundancy in the number of units relative to the requirements for the pool, and if a unit is lost, there are 4 still running, and there will still be all the thermal requirements. While the unit is down, UTC is losing payment for the power, and this is their risk. Because there are 5 autonomous units planned, the redundancy is very high, and the likelihood of 4 units being down is extremely small.

Mr. Ruocco asked if these units have been installed in Connecticut, and how long they have been in service.

Mr. Ogurick advised that the installation at the Connecticut Juvenile Training School has been in service since October 2001, and he has been managing that project for the last 5 years.

In Connecticut, the first units were out in 1994-95 and Mr. Healy said UTC has been installing units in the State since that time, and throughout the United States, Europe and Asia. Some of the earliest power plants are still running; most have been retired. The technology deployed to date is 5 year technology in

terms of the cell state, not the operation of the units. In Connecticut, the longest running unit is 6 units in Middletown.

Mr. Ruocco noted that the proposal calls for one unit at the high school.

The proposal needs to get a total of 5 units to make the one megawatt total export requirement, and Mr. Ogurick said they have talked with some Department of Education personnel about having one of the fuel cells at the high school. The DOE has not had the opportunity to see a proposal, to discuss it, and at this point, 5 units are needed and whether 1 is at the high school is still to be determined. At the school the deal would be structured similar to the proposal for the pool, with no capital or operating costs, and heat recovery would serve to replace electrical heating at the school. It has been stated for many years that the electrical heating system at the high school should be replaced, and this would be an excellent opportunity to do that. Connecticut has one high school with fuel cells in South Windsor.

Mr. Healy advised that New York State has several high schools with fuel cells for prime power and thermal recovery purposes, and at the same time put together a curriculum to wrap around this project for the students.

Mr. Ruocco asked if this proposal is a comparison of micro turbines compared to fuel cell technology.

There was consideration of micro turbines as an alternative, and Mr. Ogurick said this examination occurred before the fuel cell project was known to the Energy Commission. Micro turbines were looked at as a means of reducing total energy costs – electricity and natural gas – and the micro turbine costs at the high school are about \$600,000. At the pool it would be about \$185,000. There would be deducts from that with grants and incentives to reduce the price. The final cost for a micro turbine at the pool would be \$100,000 to \$120,000. The biggest disadvantage of that previous study is that there is a tremendous gas risk, with buying gas to feed into the micro turbine to make heat and electricity. There are capital costs and a tremendous purchase risk, whereas with the fuel cell proposal, there are no costs involved.

At the last Energy Commission meeting, there was an analysis to compare fuel cells versus micro turbines. But, micro turbines are not a clean energy technology, and do not qualify for the CEF incentive. Cost is an issue, operating risk is an issue, and the DOE has taken the micro turbine proposal off the table.

Mrs. Visconti stated that the timing is good because last month Cheshire decided to have energy as its #1 priority in the Strategic Plan. With regard to the fuel cells heating the pool, she asked about taking 2 fuel cells to heat more of the high school, use 3 cells at the pool, and how energy gets to the power grid.

Mr. Ogurick explained it is electrically connected; the fuel cell makes 480 volt power which gets transformed to whatever you want; the street power is 23,000 volts. Whether there are 3 cells at the high school and 2 at the pool, in part, depends on how much space is available for units at the high school. There is space for 1 unit, but it is uncertain if there is enough space for 2 units. At the pool there is space for 5 units.

According to Mr. Roche there are two areas at the high school. It was determined there is need for heat for the cafeteria and girls' gym with the types of heat offered by the fuel cell. Given the prospect of other parts of the school converted over to hydronic heating, it would suggest there would be additional demands for heat. This would be advantageous to the Town with finding more BTUs useful than just going up into the atmosphere from the pool fuel cells. Also, it is more attractive from a total energy perspective, provides full emergency back up power, and offers a hedge if a permanent structure is put at the pool.

Without the grant, Mrs. Visconti asked if the project is off the table. She also suggested that the proposal from UTC be available for public view at the Library.

In response, Mr. Healy said that without the grant it would be off the table, but there are other initiatives to be pursued with the Town for energy savings on the electrical and thermal side.

Mr. Orsini thanked the Energy Commission for coming up with this proposal, for a thorough presentation, and bringing it to the Town Council. He asked if there are restrictions with the proposal to the pool and high school because of their being close to each other. If there is not enough room at the high school, he asked why not put 2 or 3 units at the pool, and a unit at the library, another school, police station, or senior center.

None of these facilities have been evaluated to site a fuel cell, and Mr. Healy said that scattering of units can be done under the program. But, to the extent units are scattered, the UTC costs increase, and this would be considered.

Mr. Healy also explained that there are time constraints from the Clean Energy Fund. With a Council decision on May 23rd there will be time for UTC to put its proposal together and present it to the Clean Energy Fund.

Dave Youngquist represented the Clean Energy Fund, and said that solicitation for this project will begin next month. The deadline is July 16th for the replies, and in order for bidders to go forward assurances are needed of access to Town land where the generators would be placed. This is the reason for the urgency in asking the Council to accept this proposal. CEF will have a few phases of internal evaluation of the projects; will select a number of projects to go forward to the utilities; utilities then evaluate the projects and go through a negotiation period to determine details of the power purchase agreement with the

developers. Then, DPUC has to make a final decision that the power purchase agreement falls within the scope of the terms. The final decision will be made by DPUC, not the Clean Energy Fund, and that will probably be around this time next year. CEF is still waiting for completion of the first round done a year ago on negotiations with the utilities. Mr. Youngquist expects it will be one year before a decision is made.

Town Attorney Knott commented on listening to the presentation and looking at the proposals, and he expects that on May 23rd UTC wants the Council to act on some form of a resolution which would contain certain terms. He would like to see this agreement as soon as possible. There has been discussion about a lease commitment for a certain piece of property or amount of property, and said UTC must have some idea of general terms. At the end of the proposal it talks about the proposal being successful, with detailed contract negotiations completed between CL&P and The Town of Cheshire. Attorney Knott said that, obviously, the CL&P negotiations will be between UTC and CL&P, and whatever agreement proposed with Cheshire would be between UTC and the Town. If the outlines of these agreements utilized in the past are available, Attorney Knott requested that he receive copies. On May 23rd, after review of these agreements, the Council will make a better and informed decision.

Mr. Healy said it is possible to provide the agreements, and pointed out that UTC would anticipate some negotiation between the Town and UTC. On May 23rd, it is not necessary to have reached agreement.

Stating he understands this, Attorney Knott said there would be some sense of what UTC is aiming towards. The Council must pass a resolution, make a commitment about having land available, and in order to do this needs to know the path UTC is following.

Mr. Healy said he would provide draft copies of documents to the Council through Mr. Ogurick.

Attorney Knott also requested that UTC's legal counsel contact him regarding the proposal.

Public Comments

Robert Behrer, 435 Squire Hill Road, Chairman of the BOE Planning Committee, advised the Council that the BOE has not received information on the fuel cells. The BOE Planning Committee is continuing to looking at micro turbines for the high school, and he has not seen a comparison between micro turbines and fuel cells. He has been told that micro turbines consume ½ the natural gas of fuel cells. With micro turbines on the west side of the high school also gets the use of the electricity and the waste heat which makes this look attractive, and using a fuel cell for the east side of the school makes sense.

As an incentive program, Mr. Behrer wonders how advantageous the project is to UTC and why there is only ½ reimbursement when \$125,000 more pays all the fuel charges for the pool. Mr. Behrer has concerns about the cost of the natural gas set-up because the cost could increase in 07-08. He asked if there is renegotiation when there are changes in the cost of natural gas. He asked if there are other last minute proposals being put forward to other municipalities for fuel cells with a great benefit and little time to work on it. Mr. Behrer suggested going forward with the CEF on the 3rd tier program, and questioned why it has to be done in 2 weeks.

Mr. Behrer expressed concerns about the utility rates out 10 to 20 years, and said the BOE wants more information on this issue. He said UTC will be making enough money to put this proposal in place for the Town, maintain it, and give half the price of gas.

Mr. Behrer believes there are many questions to be discussed and answered, and said that a meeting should be set up to include the Town Council and BOE Planning Committee. Getting tied into rates for 10 to 20 years concerns him, and he would like more information on this for the BOE. The BOE is moving forward with further discussions on the micro turbines, so it is not a done deal, and they are still being considered.

Mr. Ogurick stated that the BOE has not had time to review the UTC proposal, and it is not fair for him to speak on behalf of the BOE. There is no fuel risk with the fuel cell proposal, no capital costs, operating costs, long term contracts, and any risk present would be UTC's and not the Town's risk.

Regarding comparison with micro turbines, this is not an apples to apples comparison, and there is a risk to running a micro turbine, not the least of which is the gas it burns. Defining a fuel cell as a Connecticut Class I renewable is the law. Natural gas, when used in a fuel cell to produce electricity, qualifies as a Class I renewable resource in Connecticut, and we do not want to look a gift horse in the mouth.

Chairman Hall advised the Council will be holding a joint meeting of the Council, BOE, Energy Commission and UTC representatives. Questions on the proposal can be forwarded to the Town Manager's office before the next meeting.

B. Set public hearing for 2006 Neighborhood Assistance Act Program.

MOTION by Mr. Ecke; seconded by Mrs. Esty.

BE IT RESOLVED, that the Town Council approves Resolution #050906-2

RESOLUTION #050906-2

BE IT RESOLVED, that the Town Council shall hold a public hearing to consider submissions for the 2006 Neighborhood Assistance Act Program, and

BE IT FURTHER RESOLVED, that the Town Manager shall cause a notice of said public hearing to be posted and published according to law, and

BE IT FURTHER RESOLVED, that the date, time, and place or any postponements thereof shall be determined by the Town Manager with the approval of the Chairman of the Council.

Discussion

Mr. Milone explained that under this program any non-profit organization in Cheshire can be part of this program, and donations result in a larger tax deduction from the State.

VOTE The motion passed unanimously by those present.

**C. Discussion and action re: Appropriation of a total of \$46,800.00
From the Fire Department Gift Account.**

MOTION by Mrs. Esty; seconded by Mr. Altieri.

BE IT RESOLVED, that the Town Council approves Resolution #050906-3

RESOLUTION #050906-3

BE IT RESOLVED, that the Town Council appropriates a total of \$46,800.00 from the Fire Department Gift Account for the purposes as detailed and attached.

Discussion

Mrs. Esty reported this matter was discussed at the Budget Committee meeting. Elim Park contributes tremendously to the gift account for the Fire Department, and this funding fills the gaps in the operating budget for equipment, training, emergency operations center, and other department needs with appropriations made semi-annually. Chief Casner has come forward with some appropriations from the account to meet the anticipated needs of the department.

Mr. Schrumm noted that the Elim Park funds are accounted for on a calendar year business, and these funds are from the 2006 calendar year.

Chief Casner advised that these funds will be used through December 2006, with \$500 remaining in the gift account.

Regarding the Emergency Operations Center (EOC), Mr. Schrumm asked for clarification on this item. On the last page of the memo from Chief Casner it talks about property maintenance and improvements, and the EOC.

In response, Chief Casner said they are two separate and distinct projects. He explained that the EOC will be at a site to be determined; the other items are for interior and exterior work on the fire stations. At this time the location of the EOC has not been finalized, and in the interests of homeland security, he said until all details are ironed out, he cannot speak to the EOC.

VOTE The motion passed unanimously by those present.

D. Discussion and action re: Salary for Registrars of Voters

MOTION by Mr. Altieri; seconded by Mr. Ruocco.

BE IT RESOLVED, that the Town Council approves Resolution #050906-4

RESOLUTION #050906-4

BE IT RESOLVED, that the Town Council approves the following pay plan for the Registrars of Voters for the period January 1, 2007 through December 31, 2007: Compensation of \$17,888 per annum to be paid on a bi-weekly basis; and

BE IT FURTHER RESOLVED, that the Town Council approves the following pay plan for the Registrars of Voters for the period January 1, 2008 through December 31, 2008: Compensation of \$18,603 per annum to be paid on a bi-weekly basis.

Discussion

After hearing from the registrars of voters, Mr. Altieri advised that the Personnel Committee received information about statewide compensation, discussed the matter at length, and decided on the compensation plan presented.

This is a 4% annual increase, and Mr. Ruocco said he did not support this in committee. To keep costs under control, he would support a 3% increase, which is in keeping with what the public realizes in their lives on average household increases.

VOTE The motion passed 6-3.
In Favor: Orsini, Ecke, Hall, Ecke, Visconti, Altieri.
Opposed: Schrumm, Ruocco, White.

E. Discussion and action re: Settlement of Heart and Hypertension Claim; possible executive session

8. TOWN MANAGER'S REPORT AND COMMUNICATIONS

A. Monthly Status Reports (in Council packets)

B. Departmental Status Reports (in Council packets)

C. Other Reports.

FY '06 Third Quarter Financial Report – the quarterly report is in the Council packets; the surplus is now at \$1.8 million, and could increase further; there will be a tax lien sale on 5/23/06 of \$240,000; investment income continues to grow more than anticipated.

Snow Declaration for February 11-12 Snowstorm – the federal government has declared the State of Connecticut eligible for reimbursement as a result of this storm; last year Cheshire received \$50,000; and it is expected the Town will receive at least that amount this year.

FY 06 Monthly Budget Report – the report is in the Council packets through April 2006; a supplemental appropriation will be needed for the pool and WPCA, and the Budget Committee will meet to consider these appropriations; and a public hearing will be called for June 2006.

Community Pool – the RFP for the consultant will be out this weekend with a June 7th return date; the pool will close on May 19th through 27th for removal of the bubble, and it is hoped that next year the PW crews will handle this job; daily pass activity has 40,961 people coming through the door through April compared to 21,000 people last year.

State Legislature Issues/Municipal Aid – The Town is receiving an additional \$32,000 in state aid.

Rep. Fritz introduced the resolution for the \$500,000 payment to Cheshire for the cost of the prison exceeding its daily average flow to the treatment plant. However, the Town will only receive \$250,000 payment for the excess flow to the treatment plant.

The car tax elimination was not approved by the legislature.

STEAP Grant of \$500,000 for the West Main Street streetscape is still alive, but is delayed until after the session. Rep. Adinolfi has advised this matter will be addressed over the next few weeks.

Elderly Tax Relief Freeze – this is another unfunded mandate from the State with no money set aside to offset costs to municipalities; Tax Assessor Panagrosso is going through this legislation to determine the fiscal impact on Cheshire.

The State eliminated personal property taxes for equipment purchased by manufacturing companies; the State will still reimburse at 80% of this cost; taxes

are exempt for the first 5 years after acquisition of the equipment and the manufacturer pays taxes from that point on. All this property will be exempt from taxes under the new law.

Artificial Turf – it does not appear there will be funding for the turf project.

Post Office Contract Station – opening on May 17th at Timberline Office Supply in the south end of Town; Council members have received an invitation to attend.

WPCA Sump Pump Inspections – inspections were completed this week on 150 homes; we are waiting for the final report from the consultant; now WPCA will have good data to study and make determinations going forward.

Road and Sidewalk Construction/Reconstruction Status Report – the listing of roads was given to the Council; Harrison Road has started; Wiese will be started shortly and then Peck Lane; by mid-June these roads will be paved and PW will move onto the other roads.

Sidewalks on North Brooksvale Road and Towpath Lane have started since this area is a high priority. Sidewalks on Route 42 have nothing to do with the state road project; the wall will be moved to improve the sight line. Regarding contracting out sidewalk construction, PW Director Michaelangelo has advised that 80% of the cost of this construction is labor, and for the current sidewalk project it is more efficient and economical to use Town crews. For the Strathmore sidewalk project, everything was in one location and it was economical to hire an outside contractor.

Upcoming Committee Meetings – meetings of the following committees will be scheduled for the next few weeks – Personnel, Budget, and Planning.

Memorial Day May 29, 2006 – this is a holiday and all Town offices will be closed.

With regard to the Route 42 project, Mr. Milone said that the 2008 funding is in place for this project. There is money in the capital budget for the next fiscal year for drainage issues and alleviation of some flooding problems. He will have a meeting with DOT and the neighbors involved in this project.

Mr. Ruocco raised the issue about MacNamara Park, advising he has received e-mails and calls from concerned residents of this area, and the parking situation. There are “no parking” signs posted on one side of the street, but cars park on the other side. He said this park has exceeded its capacity and requested an overview of steps being taken to reduce the cars at the park.

There have been a series of strategies put together dealing with this problem, and Mr. Milone said he supports the idea of parking on one side of the street only. Until games can be moved to other sites, the parking on only one side of the street must be controlled. MacNamara Field has the highest use for games, and Cheshire does not have enough playing fields. There will be another 90 ft. field at Bartlem Park; using Mixville as an overflow field will have a cost of \$15,000 to \$20,000 for drainage; and the Town can look to the 10 acres on Highland and Jarvis Streets to build 3 new fields. This would put Little League games at Cheshire Park from MacNamara Park, and would resolve the issues of the residents on Wiese Road.

The game scheduling is complete; some fields are open and games will be moved; and there will be no more than 3 games scheduled per day at MacNamara Field. The parking lot will be re-striped and expanded enabling parking of 15 more cars.

Mr. Ruocco commented about the suggestion of new fields at the middle school with the Town acquiring more land.

It was pointed out by Mr. Milone that, once again, this is a residential area, and there will be concerns. The State property on Highland and Jarvis is a better location for 3 fields and will help to solve the problems.

In response to a question about the \$250,000 subsidy for the prison overflow to the treatment plant, Mr. Milone advised that it is not part of the additional State aid, and once received the Council decides the allocation of these funds.

Also, Mr. Milone will provide the fiscal impact of the loss of the property taxes on manufacturing equipment to the Council in June.

Mrs. Visconti suggested that Cheshire Youth Baseball (CYB) have car pool buddies for the ball games.

Mr. Milone commented on night games being the problem with families bringing more than one car to the games. He also said that Parks and Rec Director Ceccolini is working with CYB; there will be a 3 hour game limitation; this will reduce the number of cars coming and going; and the car pooling is a good idea.

Mr. Altieri said he has also received e-mails on this issue, understands the concerns of the neighbors about the parked cars, and he has seen a police officer at the area directing traffic. However, the long term solution is more ball fields alleviating the pressure from the MacNamara Field site.

According to Mr. Milone, CYB has agreed to have an extra duty officer when appropriate, and has had an officer on Wiese Road twice this season. Also, Cheshire is still using two fields at Gaylord Hospital, 5 days a week.

9. TOWN ATTORNEY'S REPORT AND COMMUNICATIONS

10. REPORTS OF COMMITTEES OF THE COUNCIL.

A. Chairman's Report.

B. Committee Reports.

Budget – Mr. Ecke commented on the pressure during the budget process to lower the mill rate by projecting more State aid, but this was not done, and the State aid did not materialize.

Planning – Mrs. Visconti will have a meeting focusing on the barn, dam issue, and the DEP report.

Solid Waste – Mrs. Visconti will have a meeting focusing on the barite situation, and assured the public more information is being sought and it will be shared with the public.

Ordinance Review – Mrs. Esty reported that with the legislature passage of an elderly tax freeze for municipalities, without funding their own State credit, the committee will be taking up the tax credit issues in a multitude of forms. A meeting has not yet been scheduled, but the public will have notice of the meeting.

C. Miscellaneous

11. APPROVAL OF MINUTES

MOTION by Mrs. Esty; seconded by Mr. Altieri.

MOVED that the Town Council approves the minutes of the regular meeting of April 11, 2006 and Special Meeting of April 25, 2006 subject to corrections, deletions or additions.

Discussion

Mrs. Esty noted there were some minor typographical errors, but made the following changes:

Minutes 4/11/06 – page 4, para. #2, line #5 – “If Cheshire does receive...”
page 21, para. #6 (change sentence structure to read “Mrs. Esty noted that this was discussed at Budget Committee meetings...”

Minutes 4/25/06, page #3, para. #2 correct to read...”Goal #1 – is the NPDES (National Pollutant Discharge Elimination System)...”; Goal # 2 – line #2, “gets into reducing the treatment system...”

VOTE The motion passed unanimously by those present.

12. MISCELLANEOUS AND APPOINTMENTS

A. Liaison Reports

Inland Wetlands & Watercourses Commission – Mr. Ruocco commented that an IWW commissioner expressed disappointment that this commission was not invited to the March 28th meeting of the Council, WPCA and PCZ. The commissioner felt that IWW plays a role in economic development and in the plan of development.

Youth Services Committee – Mrs. Visconti reported the committee is discussing putting out a survey for teens; a subcommittee will work with the BOE and get some resolution to some of the teen issues.

Human Services Committee – Mr. White reported the committee is hoping to work on events related to alcohol awareness week in June.

Library Board – Mrs. Esty reported that the Library is moving forward with a Connecticut Author series in the fall; they are making changes and converting to their new software system next month, and this will improve access for the users of the Library under the new consortium.

WPCA – Mrs. Esty reported that WPCA was very appreciative of the recent joint meeting with the Council; WPCA is looking at the re-rating of the facility; there is another piece to be factored in – actual volume of pollutants is regulated by the federal government and must stay the same under the permit.

B. Appointments to Boards and Commissions

- 1. Appointment to Cheshire Housing Authority
Resident Commissioner
No action taken**

13. COUNCIL COMMUNICATIONS

A. Letters to Council.

Councilors received e-mails and letters related to the MacNamara Field issue.

B. Miscellaneous

14. EXECUTIVE SESSION

A. Pending Claims and Litigation

B. Personnel Matters.

MOTION by Mrs. Esty; seconded by Mr. Ecke.

MOVED to enter Executive Session at 10:25 p.m. to include the Town Manager and Town Attorney for all matters; and Special Counsel Starr and Personnel Director Zullo for personnel matters.

VOTE The motion passed unanimously by those present.

MOTION by Mrs. Esty; seconded by Mr. Ecke.

MOVED to exit Executive Session at 10:45 p.m.

VOTE The motion passed unanimously by those present.

MOTION by Mr. Ruocco; seconded by Mr. Altieri.

MOTION by Mr. Ecke; seconded by Mr. White.

BE IT RESOLVED, that the Town Council approves Resolution #050906-5

RESOLUTION #050906-5

BE IT RESOLVED, that the Town Council approves the stipulated heart and hypertension settlement agreement with the terms and conditions as presented for former Cheshire Police Officer John DeMello, and authorizes the Town Attorney, Special Counsel, and the Town Manager to execute said agreement.

VOTE The motion passed unanimously by those present.

MOTION by Mr. Ruocco; seconded by Mr. Altieri.

MOVED to extend the Council meeting and return to executive session.

VOTE The motion passed unanimously by those present.

MOTION by Mrs. Ecke; seconded by Mr. Altieri.

MOVED to exit Executive Session at 11:50 p.m.

VOTE The motion passed unanimously by those present.

15. ADJOURNMENT

MOTION by Mrs. Esty; seconded by Mr. Altieri

MOVED to adjourn the Town Council meeting at 11:50 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk
Cheshire Town Council