



NORWICH BOARD OF PUBLIC UTILITIES' COMMISSIONERS  
&  
SEWER AUTHORITY OF THE CITY OF NORWICH

REGULAR MEETINGS

August 31, 2021

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The Regular Meeting of the Norwich Board of Public Utilities' Commissioners and the Sewer Authority of the City of Norwich were held on Tuesday, August 31, 2021 by Webex and in the 2<sup>nd</sup> Floor Board Room of Norwich Public Utilities (NPU), 16 South Golden Street, Norwich.

Item 1. The Meeting was called to order at 6:00 p.m. by Chairman Robert Staley.

Present: Chairman Robert Staley, Vice Chairman Stewart Peil, Secretary Michael Goldblatt, Commissioner William Warzecha and Commissioner Ashon Avent. Also in attendance were General Manager Chris LaRose, Steve Sinko, Jeff Brining, Michele Addabbo, Laura Huren, Chris Riley, John Covey, Barry Ellison, Larry Sullivan, Dave Poore, Mary Lou Rychling and Ruth Swift.

Item 2. Action Item. Public Rate Hearing. Chairman Staley opened the Public Rate Hearing at 6:01 p.m. Steve Sinko presented information on the technical revision to gas, electric rates and the new economic development rate for large commercial customers. Mayor Peter Nystrom and NCDC President Kevin Brown spoke in favor of the proposed economic development rate. Chairman Staley then declared the Public Rate Hearing closed at 6:10 p.m.

Item 3. Fifteen-Minute Public Comment Period. None.

Item 4. Minutes of the Regular Board of Public Utilities' Commissioners Meeting and Sewer Authority of the City of Norwich, held on Tuesday, July 27, 2021. Motion to approve made by Commissioner Avent, seconded by Vice Chairman Peil. Voted in favor: Commissioner Avent, Vice Chairman Peil, Chairman Staley and Secretary Goldblatt. Abstained: Commissioner Warzecha.

Item 5. Finance and Audit Subcommittee Slate of Officers. Commissioner Warzecha, seconded by Commissioner Avent moved to appoint Secretary Goldblatt, Commissioner Warzecha and Chairman Staley to the Finance and Audit Subcommittee. Unanimously approved.

Item 6. Economic Development Subcommittee Slate of Officers. Commissioner Warzecha, seconded by Commissioner Goldblatt moved to appoint Chairman Staley, Commissioner Warzecha and Commissioner Avent to the Economic Development Subcommittee. Unanimously approved.

Item 7. Information and Updates Provided to the Board in advance of the meeting.

- Leadership Team Update. Discussion followed.
- Covid 19 Financial Update. Informative.

Item 8. CMEEC Update. Vice Chairman Peil gave an update to the Board regarding recent meetings of CMEEC.

Item 9. NEPPA Annual Conference Update. Commissioner Avent and Jeff Brining updated the Board on the recent NEPPA annual conference. Discussion followed.

Item 10. Action Items. Sewer Plant Upgrade Design Funding Ordinance. Larry Sullivan presented the Board with information regarding the Sewer Plant Upgrade Design Funding Ordinance and Resolution below.

**COUNCIL ORDINANCE**

AN ORDINANCE APPROPRIATING \$2,750,000 FOR THE UPDATED DESIGN OF VARIOUS IMPROVEMENTS AND EXPANSION OF THE WASTEWATER TREATMENT FACILITY, AUTHORIZING THE ISSUANCE OF \$2,750,000 REVENUE BONDS OF THE CITY SECURED SOLELY BY SEWER REVENUES TO MEET SAID APPROPRIATION, AND AUTHORIZING THE CITY AND THE SEWER AUTHORITY TO ENTER INTO GRANT AND LOAN AGREEMENTS AND A GENERAL RESOLUTION WITH THE STATE OF CONNECTICUT WITH RESPECT THERETO.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORWICH:

The sum of \$2,750,000 is appropriated for the updated design of various improvements and expansion to the Norwich Department of Public Utilities' (the "Department") wastewater treatment facility (the "Facility"), including, but not limited to, (a) the development of a basis of design report and design scope for various improvements and upgrades to various buildings, facilities and equipment relating to the Facility, and (b) miscellaneous design and bidding services relating to the Facility, and such additional work as may be accomplished within said appropriation (the "Project") as shall be determined by the Sewer Authority of the City of Norwich (the "Sewer Authority") Said appropriation shall be inclusive of local, state and federal grants in aid thereof. The Sewer Authority is authorized to enter into contracts, expend the appropriation and implement the Project herein authorized.

The estimated useful life of the Project is not less than twenty years and Project costs are estimated not to exceed \$2,750,000. Of the total estimated Project costs, approximately \$550,000 is anticipated to be grant funded by or through the State of Connecticut pursuant to its Clean Water Fund Program (as hereinafter defined), and approximately \$2,200,000 is anticipated to be financed by or through the State of Connecticut pursuant to its Clean Water Fund Program, through subsidized interest loans. The Project is a general benefit to the City of Norwich and its general governmental purposes.

To meet said appropriation:

bonds of the City or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date (or such longer term as may be authorized). Said bonds may be issued in one or more series as determined by the City Manager and the Comptroller - acting on behalf of the City herein - and the General Manager of the Department, or any other authorized designee of the Sewer Authority - acting on behalf of the Department and the Sewer Authority herein - (collectively, the "Issuer Officials") and the amount of bonds of each series to be issued shall be fixed by a majority of the Issuer Officials in the amount necessary to meet the Issuer's share of the cost of the Project determined after considering the estimated amount of the State and Federal grants-in-aid of the Project, or the actual amount thereof if this be ascertainable, and the anticipated times of the receipt of the proceeds thereof, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Issuer and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the City by the facsimile or manual signatures of a majority of the Issuer Officials, bear the City seal or a facsimile thereof, be certified by a bank or trust company designated by a majority of the Issuer Officials, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by a majority of the Issuer Officials and be approved as to their legality by Bond Counsel. They shall bear

such rate or rates of interest as shall be determined by a majority of the Issuer Officials. The issuance of such bonds in one or more series, the aggregate principal amount of bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds shall be determined by a majority of the Issuer Officials, in accordance with the General Resolution. In the case of Parity Indebtedness as defined in the General Resolution between the City of Norwich and the Sewer Authority (as hereinafter defined as the "General Resolution"), a majority of the Issuer Officials, shall also determine the revenues and property to be pledged for payment of such Parity Indebtedness; or

temporary notes of the City may be issued in one or more series pursuant to Sections 7-264 and 7-264a of the General Statutes of Connecticut, as amended. The amount of such notes to be issued, if any, shall be determined by a majority of the Issuer Officials, and they are hereby authorized to determine the date, maturity, interest rate, form and other details and particulars of such notes, and to sell, execute and deliver the same; or

sewer assessment notes of the City may be issued in one or more series pursuant to Section 7-269a of the General Statutes of Connecticut, as amended. The amount of such notes to be issued, if any, shall be determined by a majority of the Issuer Officials, and they are hereby authorized to determine the date, maturity, interest rate, form and other details and particulars of such notes, and to sell, execute and deliver the same; or

(iv) interim funding obligations and project loan obligations or any other obligations of the City (hereinafter "Clean Water Fund Obligations") evidencing an obligation to repay any portion of the costs of the Project determined by the State of Connecticut Department of Energy and Environmental Protection, Public Health or other department as applicable to be eligible for funding under Section 22a-475 et seq. of the Connecticut General Statutes, as the same may be amended from time to time (the "Clean Water Fund Program"). The General Manager of the Department, or any other authorized designee of the Sewer Authority, is authorized in the name and on behalf of the City and the Sewer Authority to apply for and accept any and all Federal and State loans and/or grants-in-aid of the Project and is further authorized to expend said funds in accordance with the terms hereof and in connection therewith to contract in the name of the Department with engineers, contractors and others. The City may issue Clean Water Fund Obligations in one or more series and in such denominations as a majority of the Issuer Officials shall determine, provided that the total of all such Clean Water Fund Obligations, bonds and notes issued and appropriation expended pursuant to this ordinance shall not exceed \$2,750,000. A majority of the Issuer Officials are hereby authorized to determine the amount, date, maturity, interest rate, form and other details and particulars of such interim funding obligations and project loan obligations, subject to the provisions of the Clean Water Fund Program, and to execute and deliver the same. Clean Water Fund Obligations shall be secured solely from a pledge of sewer system revenues; or

(v) any combination of bonds, temporary notes, notes, or obligations as set forth in the preceding subsections may be issued, provided that the total, aggregate principal amount thereof outstanding, and including the amount of grant funding obtained pursuant to any Project Grant and Project Loan Agreement or other sources, at any time shall not exceed \$2,750,000.

Bonds, temporary notes, sewer assessment notes, Clean Water Fund Obligations and federal obligations all as set forth in section 3 are hereafter referred to as "Bonds". The Bonds shall be sewer revenue bonds of the City, the payment of principal and interest on which shall be secured solely by revenues derived from the operation of the sewerage system, including use charges, connection charges, benefit assessments or any combination thereof, investment income derived there from, or other property of the sewerage system or revenue derived from the operation of the sewerage system in accordance with the General Resolution. Each of the Bonds shall recite to the effect that every requirement of law relating to its issue has been duly complied with, that such Bond is within every debt and other limit prescribed by law, that such Bond does not constitute a general obligation of the City for which its full faith and credit is pledged, and that such Bond is payable solely from revenues, assessments, charges or property of the sewerage system specifically pledged therefore.

The bonds authorized to be issued by section 3 shall be, issued and secured pursuant to the General Resolution of the City and the Sewer Authority, Sewer System General Revenue Bond Resolution approved by the City Council on November 21, 1994 and by the Sewer Authority on November 22,

1994, as amended, and as supplemented by various supplemental Resolutions adopted pursuant to the General Resolution, and which is hereby ratified, confirmed and approved in its entirety, including without limitation, the rate and revenue covenants therein. The Sewer Authority irrevocably agrees to comply with the provisions of the General Resolution, including Supplemental Resolutions, including but not limited to: to set, establish and collect and maintain rates and revenue as necessary to continually comply with the terms, conditions and covenants of the General Resolution. The City irrevocably agrees to comply with the provisions of the General Resolution. In order to implement the provisions of the General Resolution the City and the Sewer Authority may enter into an indenture of trust with a bank and trust company which indenture may contain provisions customarily included in revenue bond financings, including provisions of a similar nature to those in the General Resolution and which are necessary, convenient or advisable in connection with the issuance of the Bonds and their marketability. A majority of the Issuer Officials are hereby authorized to execute and deliver on behalf of the City and the Sewer Authority an indenture in such final form and containing such terms and conditions as they shall approve, and their signatures on any such indenture shall be conclusive evidence of their approval as authorized hereby.

A majority of the Issuer Officials on behalf of the City and the Sewer Authority are authorized to agree to additional terms and to delete or change existing terms and otherwise amend the form of General Resolution in order to obtain local, State or federal funding, provide better security for the bonds, correct any matter, cure any ambiguity or defect or otherwise benefit the Issuer in their judgment. Such additional or different terms may include restrictions on the use of sewer funds or fund balance or sewer operations, coverage ratios, additional or changed reserve requirements, identification and pledge of revenues securing the Bonds, providing for the form of the Bonds, conditions precedent to the issuance of Bonds and additional Bonds, the establishment and maintenance of funds and the use and disposition there from, including but not limited to accounts for the payment of debt service, the payment of operating expenses, debt service reserve and other reserve accounts, providing for the issuance of subordinated indebtedness, defining an event of default and providing for the allocation of revenues in such event, credit enhancement, providing for a pledge and allocation of sewer revenues to pay for obligations issued by third parties, and provisions of a similar and different nature to those in the General Resolution and which are necessary, convenient or advisable in connection with the issuance of the Bonds and their marketability, and to obtain the benefits of any local, state or federal grant or low interest loan program, including but not limited to, the Clean Water Fund and Federal Department of Agriculture programs. A majority of the Issuer Officials are hereby authorized, in addition to the General Resolution, to execute and deliver on behalf of the Issuer and the Sewer Authority an indenture of trust in such final form and containing such terms and conditions as they shall approve, and their signatures on any such indenture shall be conclusive evidence of their approval as authorized hereby.

The issue of the Bonds aforesaid and of all other bonds or notes of the City heretofore authorized but not yet issued, as of the effective date of this Ordinance, would not cause the indebtedness of the City to exceed any debt limit calculated in accordance with law.

Said Bonds shall be sold by a majority of the Issuer Officials in a competitive offering or by negotiation, in their discretion. If sold in a competitive offering, the Bonds shall be sold upon sealed proposals at not less than par and accrued interest on the basis of the lowest not or true interest cost to the City. If the Bonds are sold by negotiation, a majority of the Issuer Officials, are authorized to execute a purchase agreement on behalf of the City and Sewer Authority containing such terms and conditions as they deem appropriate and not inconsistent with this Ordinance.

The City of Norwich (the "Issuer") hereby expresses its official intent pursuant to section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid 60 days prior to and after the date of passage of this Ordinance in the maximum amount and for the capital project defined in Section 1 with the proceeds of any Bonds authorized to be issued by the Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Comptroller and General Manager of the Department or their designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement Bonds, and to amend this declaration.

It is hereby found and determined that it is in the public interest to issue all, or a portion of, the Bonds of the City authorized to be issued herein as qualified private activity bonds, or with interest that is includable in

gross income of the holders thereof for purposes of federal income taxation. A majority of the Issuer Officials are hereby authorized to issue and utilize without further approval any financing alternative currently or hereafter available to municipal government pursuant to law, including but not limited to any "tax credit bond," or "Build America Bonds" including Direct Payment and Tax Credit Versions.

This Ordinance shall be effective upon adoption by the City Council and its approval by the Sewer Authority.

### **Sewer Authority of the City of Norwich Resolution**

RESOLUTION APPROVING AN ORDINANCE APPROPRIATING \$2,750,000 FOR THE UPDATED DESIGN OF VARIOUS IMPROVEMENTS AND EXPANSION OF THE WASTEWATER TREATMENT FACILITY, AUTHORIZING THE ISSUANCE OF \$2,750,000 REVENUE BONDS OF THE CITY SECURED SOLELY BY SEWER REVENUES TO MEET SAID APPROPRIATION, AND AUTHORIZING THE CITY AND THE SEWER AUTHORITY TO ENTER INTO GRANT AND LOAN AGREEMENTS AND A GENERAL RESOLUTION WITH THE STATE OF CONNECTICUT WITH RESPECT THERETO.

Resolved, the Sewer Authority of the City of Norwich (the "Authority") having reviewed and considered:

1. The requirements and needs for the updated design of various improvements and expansion to the Norwich Department of Public Utilities' (the "Department") wastewater treatment facility (the "Facility") as requested by the Department and the Connecticut Department of Energy and environmental Protection ("DEEP"),

2. An Ordinance proposed to be adopted by the Council of the City of Norwich (the "Council") entitled:

AN ORDINANCE APPROPRIATING \$2,750,000 FOR THE UPDATED DESIGN OF VARIOUS IMPROVEMENTS AND EXPANSION OF THE WASTEWATER TREATMENT FACILITY, AUTHORIZING THE ISSUANCE OF \$2,750,000 REVENUE BONDS OF THE CITY SECURED SOLELY BY SEWER REVENUES TO MEET SAID APPROPRIATION, AND AUTHORIZING THE CITY AND THE SEWER AUTHORITY TO ENTER INTO GRANT AND LOAN AGREEMENTS AND A GENERAL RESOLUTION WITH THE STATE OF CONNECTICUT WITH RESPECT THERETO (the "Council Ordinance" attached hereto), and

3. The General Resolution of the City of Norwich, Connecticut and the Sewer Authority of the City of Norwich, Sewer System General Revenue Bond Resolution approved by the City Council on November 21, 1994 and by the Sewer Authority on November 22, 1994, as amended, (the "General Resolution"),

all of which are in connection with the Facility, including, but not limited to, (a) the development of a basis of design report and design scope for various improvements and upgrades to various buildings, facilities and equipment relating to the Facility, and (b) miscellaneous design and bidding services relating to the Facility, and such additional work as may be accomplished within said appropriation as more fully set forth in the Ordinance attached hereto (the "Project"),

hereby authorizes, approves and ratifies: 1) the Ordinance and recommends its adoption to the City Council, and the General Resolution which it approves and ratifies, 2) the Project, and 3) entering into Project Loan and Subsidy Agreements with respect to the Project including any amendment, as applicable. The General Manager, or any other designee appointed by the Sewer Authority, is authorized on behalf of the Sewer Authority to enter into grant and loan agreements with such additions, revisions and deletions as in his judgment are in the best interest of the Sewer Authority, including a schedule to fund a debt service reserve fund, and to revise the General Resolution, including the addition of information, completion of schedules, or such other changes as may facilitate the Project and its financing, provided, the full faith and credit of the City shall not be pledged to secure the bonds authorized to finance the Project. The Sewer Authority specifically authorizes and approves the Project, the issuance of up to \$2,750,000 of sewer system revenue bonds (inclusive of any prior PLOs and any outstanding IFOs, if any), the pledge established by the General Resolution, the delegation to the General Manager, or any other designee appointed by the Sewer Authority, of authority and responsibility, the terms and conditions of funding the Project and issuing debt, all as set forth therein, and covenants to establish the rates necessary to pay the bonds and to comply with the provisions and requirements therein. The Sewer Authority recommends that the City Council take all action necessary to approve the Project and its financing, including approval of the Ordinance.

Commissioner Warzecha, seconded by Commissioner Goldblatt moved to approve the above Resolution. Unanimously approved.

Item 10. Action Items (cont'd). Debt Policy Resolution. Laura Huren presented information to the Board regarding the Debt Management Policy Resolution as presented below.

### **Norwich Public Utilities Debt Management Policy**

#### **1. Purpose and Scope**

This policy is applicable to any debt issued by or on behalf of NPU including, but not limited to, general obligation bonds, revenue bonds, lease transactions, financed purchases, lines of credit or any other form of debt. It is established to provide a general framework for the use and management of the debt incurred by Norwich Public Utilities (NPU) or the City of Norwich, on behalf of NPU, and to assist in ensuring that all debt issued is both prudent and cost-effective. It is NPU's objective to preserve financial stability, meet capital needs, establish conditions to obtain financing at the lowest possible cost, avoid conflicts of interest, protect the credit quality of its obligations, and effectively manage pre and post-issuance compliance. Adherence to this policy is essential to ensuring NPU's sound financial position, maintaining compliance with all bond covenants, protecting the credit quality of its obligations, and managing the debt in a prudent manner.

#### **2. Definitions**

Capital Project: a project to create or improve a capital asset. NPU defines a capital asset as an asset with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years.

CWF debt obligation (also known as a Project Loan Obligation-under the Clean Water Fund Program): a note or other obligation delivered by the municipality to the State to evidence the municipality's obligation to repay the permanent financing of the Project Loan, on or before the maturity date.

Debt Coverage Ratio: measures the capacity to pay annual debt service from the annual net revenues of the utility. The higher the ratio, the higher the ability to withstand volatile revenues and/or unexpected cash outflows. The ratio is calculated as follows: net operating income plus depreciation expense divided by debt payments (principal and interest).

Debt to Operating Revenues Ratio: measures debt level relative to operating revenues. The lower the ratio, the more ability the utility has to reduce costs if demand shrinks and or fund necessary capital upgrades. The ratio is calculated as follows: net debt divided by annual operating revenues.

DWSRF debt obligation (also known as a Project Loan Obligation-under the Drinking Water State Revolving Fund Program): a note or other obligation delivered by the municipality to the State to evidence the municipality's obligation to repay the permanent financing of the Project Loan on or before the maturity date.

Financed purchase: a contract that transfers ownership of the underlying asset to the lessee by the end of the contract (i.e., the lessee is required to purchase the asset).

Lease transaction: a contract that conveys control of the right to use another entity's non-financial asset as specified in the contract for a specific period of time.

Maximum Annual Debt Service (MADS): the amount of the maximum principal and interest annual amount over the life of all debt.

Net Debt: long and short-term debt minus debt service reserve funds

Net Operating Income: operating revenues minus operating expenses

Non-Lease Transaction: a transaction that does not meet the definition of a lease transaction.

Operating Revenues: total operating revenues as identified in the annual audited financial statements, e.g., charges for services, use of property, and other services.

Right To Use Asset: the amount recognized by a lessee on its balance sheet that represents its right to use an asset under a lease contract, for example copiers, dumpsters, tanks, etc.

### 3. Debt Strategy

It is the intent of this policy to provide clear guidelines and a framework for: defining when NPU has the ability to seek financing; how financial stability can be maintained by establishing debt service reserves; and how compliance can be measured using financial metrics. Under no circumstances will debt be used to finance ongoing operational expenses. Debt will be considered when a capital project to be funded is essential to achieve strategic goals and results in significant, long-term benefit to NPU, or is an emergency.

- A. The requirements for debt financing shall be:
  - (i) Non-lease transactions require an expenditure of at least \$250,000 and an estimated useful life of five (5) years for the asset being financed.
  - (ii) Financed purchases require a contract of at least \$200,000 in total with a minimum term of three (3) years.
  - (iii) Lease transactions for right to use assets with a contract of less than \$75,000 per year are exempt from this policy.
- B. Debt will only be issued for purposes authorized by state law.
- C. The asset being financed is identified in the five-year capital plan, except in the case of Right of Use assets, and included in the NPU approved budget.
- D. The term of the debt will not exceed the estimated useful life of the asset being financed.
- E. Debt limits established by law, bond covenants, and policy will be monitored and calculated at least once per year, and whenever otherwise appropriate, by the NPU Finance Department staff and reviewed by the NPU Financial Planning Manager.
- F. A minimum debt coverage ratio of 1.70x will be maintained.
- G. A minimum debt to operating revenue ratio of less than 4.0x will be maintained.
- H. Debt capacity will be evaluated with the goal of maintaining an overall issuer credit rating at the equivalent of comparably sized highly rated municipal utilities.
- I. An emergency would be limited to catastrophic capital infrastructure damage caused by a hurricane, blizzard, or other unplanned event.

### 4. Debt Instruments

Authorization to issue new debt in excess of \$500,000 requires a resolution of the NPU Board of Commissioners and/or Sewer Authority.

The following types of debt are allowable under this policy:

- A. General obligation bonds
- B. Revenue bonds
- C. Lease transactions
- D. Commercial loans
- E. Lines of credit

### New Debt Issuance

The potential impact of new debt issuance on the financial stability of NPU shall be monitored annually during the budget process or when deemed appropriate by NPU management.

New debt will not be incurred if:

- A. Debt Coverage ratio is less than 1.70x annually, projected over seven (7) years, calculated as follows for each division:

$$\frac{\text{Net Operating Income plus Depreciation}}{\text{Debt Payments (principal and interest)}}$$

- B. Debt to Operating Revenues ratio is greater than 4.0x, calculated as follows for each division:

$$\frac{\text{Long and Short Term Debt minus Debt Service Reserve Fund}}{\text{Operating Revenues}}$$

### 5. Debt Service Reserve Funds

NPU will establish and maintain a Debt Service Reserve Fund for each division to provide separate dedicated funding for debt service management. These reserve funds are in addition to any reserves required to be maintained by a third-party agent. The reserves shall be established as required by any bond covenants, state statutes, or financing agreements. In the event that no other reserve requirements take precedence, the reserve amounts will be determined using the Maximum Annual Debt Service (MADS). The reserves are funded by cash transfers from the operating accounts and may be funded under a multi-year approach based on projected debt service requirements provided that the reserve reaches the minimum required level no later than in the

fiscal year the debt is incurred. The reserve minimums are included in all cost of service studies and rate making processes to ensure established rates meet the policy requirements. No expenditures will be made from these reserve funds as long as the funds are required to meet the requirements of this policy.

## **6. Financing Terms**

It is the intention of NPU to use debt in the most prudent, fiscally conservative, and cost-effective manner possible. The following debt structure and repayment methods are preferred where available:

- A. Fixed interest rate
- B. Level principal repayment schedule
- C. 1/20<sup>th</sup> principal payment when available (i.e., DWSRF and CWF debt obligations)
- D. Alternate options will be evaluated if in the best interest of NPU, with documented savings and/or other benefits

Restructuring of debt will be considered when it is in the best interest of NPU to do so. NPU will work in concert with the City of Norwich, bond counsel, and financial advisors to determine the most appropriate course of action.

## **7. Management of Outstanding Debts**

NPU will monitor all debt obligations on an ongoing basis or at least annually during the budget process and included as part of the audit process at fiscal year-end, to ensure post-issuance compliance with bond covenants and applicable federal/state laws and regulations.

## **Monitoring and Annual Review of Policy**

The NPU Finance Department will be responsible for managing and coordinating all activities related to the issuance and administration of debt, including the implementation of internal control procedures to ensure that the proceeds of the debt will be directed to the intended use. The NPU Finance Department will review the requirements of this policy to ensure it is up to date with any internal/external requirement changes. The NPU Finance Department is responsible for executing the calculations contained in the policy in accordance with the policy deadlines and reporting the results. The NPU Financial Planning Manager is the designated administrator of the Policy.

## **8. Action Required**

If certain events occur that result in the following:

- A. Debt coverage ratio falling below the minimum identified in this policy – NPU staff shall act to restore it over a subsequent time period not to exceed three (3) years. Possible actions include rate adjustments with Board approval, cost reductions (if possible while still maintaining the integrity and reliability of the system) or a combination of both.
- B. Debt to operating ratio falling below the minimum identified in this policy – NPU staff shall act to restore it over a subsequent time period not to exceed three (3) years. Possible actions include rate adjustments with Board approval, debt payoff, debt service reserves increase, or a combination of all.
- C. Debt service reserve fund balance falling below the minimum identified in this policy – NPU staff shall act to restore it as required, but in no case over a subsequent time period exceeding three (3) years. Possible actions include rate adjustments with Board approval, cost reductions (if possible while still maintaining the integrity and reliability of the system) or a combination of both.

## **Appendix I**

### References & Links

Connecticut General Statutes (CGS):

CGS Chapter 101-Municipal Gas and Electric Plants

[Sec. 7-217](#)

[CGS Chapter 102-Municipal Waterworks](#)

CGS Chapter 103-Municipal Sewerage

[Sec. 7-256; Sec. 7-259; Sec. 7-260; Sec. 7-261; Sec. 7-262; Sec. 7-263; Sec. 7-263a; Sec. 7-264; Sec. 7-264a; Sec. 7-265; Sec. 7-266; Sec. 7-267; Sec. 7-268; Sec. 7-269; Sec. 7-269a](#)

[CGS Chapter 109-Municipal Bond Issues](#)

Joint Resolution of the City of Norwich, CT and the Board of Public Utilities Commissioners... Water System General Revenue Bond Resolution

Joint Resolution of the City of Norwich, CT and the Sewer Authority... Sewer System General Revenue Bond Resolution



Secretary Goldblatt, seconded by Commissioner Warzecha moved to approve the following Resolution. Unanimously approved.

**Norwich Board of Public Utilities’ Commissioners Resolution**

**RESOLUTION AUTHORIZING THE IMPLEMENTATION OF THE NORWICH PUBLIC UTILITIES DEBT MANAGEMENT POLICY**

BE IT RESOLVED that the City of Norwich Board of Public Utility Commissioners (the “Board”) hereby authorizes, approves and ratifies the implementation of the Norwich Public Utilities (“NPU”) Debt Management Policy, the form of which is attached hereto as Exhibit A, and authorizes the General Manager of NPU to make any such additions, revisions and deletions as in his judgement are in the best interests of the Board.

Vice Chairman Peil, seconded by Commissioner Warzecha moved to approve the following Resolution. Unanimously approved.

**Sewer Authority of the City of Norwich Resolution**

**RESOLUTION AUTHORIZING THE IMPLEMENTATION OF THE NORWICH PUBLIC UTILITIES DEBT MANAGEMENT POLICY**

BE IT RESOLVED that the Sewer Authority of the City of Norwich (the “Authority”) hereby authorizes, approves and ratifies the implementation of the Norwich Public Utilities (“NPU”) Debt Management Policy, the form of which is attached hereto as Exhibit A, and authorizes the General Manager of NPU to make any such additions, revisions and deletions as in his judgement are in the best interests of the Authority.

Item 10. Action Items (cont’d). A motion was made by Commissioner Warzecha, seconded by Commissioner Peil to approve the technical revisions to the electric and gas rates as presented during the public hearing and to approve the new economic development rate. Unanimously approved.

**NORWICH PUBLIC UTILITIES  
ELECTRIC SERVICE RATES**

**ELECTRIC RESIDENTIAL SERVICE - RATE ERES**

**AVAILABILITY:** Single-phase electric service available for year-round household requirements and associated equipment of a single-family dwelling.

<b>RATE EFFECTIVE</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1, 2022</b>
Customer Charge, Per Month	\$17.63	\$21.23
Electricity Used: All kWh	\$0.15090 per kWh	\$0.14706 per kWh
<b>ELECTRIC CAPITAL TRACKER</b>	\$0.00 per kWh	\$0.00 per kWh

**PURCHASED POWER ADJUSTMENT:** The Purchased Power Adjustment Rate will be applied to all kWh billed.

**ENERGY EFFICIENCY FUND:** A charge will be applied to all billed kWh consumption to recover the costs of investment in renewable energy resources and energy efficiency and load reduction initiatives through the NPU Energy Efficiency Fund.

**MINIMUM CHARGE:** The minimum monthly charge is the customer charge.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**ELECTRIC RESIDENTIAL (MULTI-FAMILY) - RATE ECRES**

**AVAILABILITY:** Available to multi-family residential dwellings for lighting, heating, cooling, refrigeration and power uses, where distribution facilities are suitable for the service requested and where the load exceeds 10 kW but is less than 100 KVA.

<b>RATE EFFECTIVE 2022</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1,</b>
Customer Charge, Per Month	\$42.07	\$84.13
Demand Charge:		
Minimum Charge First 10 kW	\$85.89	\$97.91
All excess kW demand	\$8.59 per kW	\$9.79 per kW
Electricity Used: All kWh	\$0.12542 per kWh	\$0.11704 per kWh
<b>ELECTRIC CAPITAL TRACKER</b>	\$0.00 per kWh	\$0.00 per kWh

**PURCHASED POWER ADJUSTMENT:** The Purchased Power Adjustment Rate will be applied to all kWh billed.

**ENERGY EFFICIENCY FUND:** A charge will be applied to all billed kWh consumption to recover the costs of investment in renewable energy resources and energy efficiency and load reduction initiatives through the NPU Energy Efficiency Fund.

**MINIMUM CHARGE:** The minimum monthly charge is the customer charge plus the minimum demand charge.

**PRIMARY METERING:** Where the service is metered at the Utilities' primary voltage, all kWh readings will be reduced by 2% to obtain billing quantities.

**DETERMINATION OF THE DEMAND REQUIREMENTS:** The demand charge will be based on the greatest 15-minute kW demand requirement within the current billing month measured by suitable demand metering devices or as otherwise determined by the Utility, but not less than 80% of the highest demand measured in the 11 months prior to the billing month, nor less than 10 kW.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

#### **ELECTRIC MEDIUM COMMERCIAL (Non-Manufacturers) - RATE EC**

**AVAILABILITY:** Available to Commercial customers for lighting, heating, cooling, refrigeration and power uses, where distribution facilities are suitable for the service requested and where the load exceeds 10 kW but is less than 100 KVA.

<b>RATE EFFECTIVE 2022</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1,</b>
Customer Charge, Per Month	\$42.94	\$85.89
Demand Charge:		
Minimum Charge First 10 kW	\$85.89	\$98.16
All excess kW demand	\$8.59 per kW	\$9.81 per kW
Electricity Used: All kWh	\$0.12674 per kWh	\$0.11820 per kWh
<b>ELECTRIC CAPITAL TRACKER</b>	\$0.00 per kWh	\$0.00 per kWh

**PURCHASED POWER ADJUSTMENT:** The Purchased Power Adjustment Rate will be applied to all kWh billed.

**ENERGY EFFICIENCY FUND:** A charge will be applied to all billed kWh consumption to recover the costs of investment in renewable energy resources and energy efficiency and load reduction initiatives through the NPU Energy Efficiency Fund.

**MINIMUM CHARGE:** The minimum monthly charge is the customer charge plus the minimum demand charge.

**PRIMARY METERING:** Where the service is metered at the Utilities' primary voltage, all kWh readings will be reduced by 2% to obtain billing quantities.

**DETERMINATION OF THE DEMAND REQUIREMENTS:** The demand charge will be based on the greatest 15-minute kW demand requirement within the current billing month measured by suitable demand metering devices or as otherwise determined by the Utility, but not less than 80% of the highest demand measured in the 11 months prior to the billing month, nor less than 10 kW.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

#### **ELECTRIC MEDIUM COMMERCIAL (Manufacturers) - RATE ECGRC**

**AVAILABILITY:** Available to Commercial customers classified as Manufacturers under applicable State Law for power, lighting, heating, refrigeration and cooling uses, where distribution facilities are suitable for the service requested and where the load exceeds 10 kW but is less than 100 KVA.

<b>RATE EFFECTIVE 2022</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1,</b>
Customer Charge, Per Month	\$38.89	\$77.78
Demand Charge:		
Minimum Charge First 10 kW	\$85.89	\$97.00
All excess kW demand	\$8.59 per kW	\$9.70 per kW

Electricity Used: All kWh	\$0.12062 per kWh	\$0.11288 per kWh
<b>ELECTRIC CAPITAL TRACKER</b>	\$0.00 per kWh	\$0.00 per kWh

**PURCHASED POWER ADJUSTMENT:** The Purchased Power Adjustment Rate will be applied to all kWh billed.  
**ENERGY EFFICIENCY FUND:** A charge will be applied to all billed kWh consumption to recover the costs of investment in renewable energy resources and energy efficiency and load reduction initiatives through the NPU Energy Efficiency Fund.

**MINIMUM CHARGE:** The minimum monthly charge is the customer charge plus the minimum demand charge.

**PRIMARY METERING:** Where the service is metered at the Utilities' primary voltage, all kWh readings will be reduced by 2% to obtain billing quantities.

**DETERMINATION OF THE DEMAND REQUIREMENTS:** The demand charge will be based on the greatest 15-minute kW demand requirement within the current billing month measured by suitable demand metering devices or as otherwise determined by the Utility, but not less than 80% of the highest demand measured in the 11 months prior to the billing month, nor less than 10 kW.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**ELECTRIC LARGE COMMERCIAL (Non-Manufacturers)  
ECONOMIC DEVELOPMENT RATE RIDER - RATE EDR**

**AVAILABILITY:** Available to large Commercial customers that locate new operations within NPU service territory and meet the qualifications of the **ELECTRIC LARGE COMMERCIAL (Non-Manufacturers) - RATE EP**.

**QUALIFICATIONS:** To qualify for service under this Rider, the customer must have actual demand of at least 100 KVA and monthly usage of 100,000 kWh.

**TERMS AND CONDITIONS:** The customer must complete an Application for Economic Development Rate Rider for potential participation in the program and comply with the requirements set forth in the Economic Development Rate Rider Policy before this rider will apply.

**RATE EFFECTIVE**

**NOVEMBER 1, 2021**

**ECONOMIC DEVELOPMENT RIDER DISCOUNT:** The Economic Development Rate Rider is an annual declining discount applied over a 12-month period for a duration of five years. Each year's discount is as follows:

Year 1 \$0.01988 per kWh  
Year 2 \$0.01589 per kWh  
Year 3 \$0.01190 per kWh  
Year 4 \$0.00798 per kWh  
Year 5 \$0.00399 per kWh

**OTHER:** The Economic Development Rate Rider applies only to the Electricity Used charge and not to the Purchased Power Adjustment, Demand charge, Energy Efficiency Fund charge, or any other charge/credit.

**ELECTRIC LARGE COMMERCIAL (Manufacturers)  
ECONOMIC DEVELOPMENT RATE RIDER - RATE EDGRRC**

**AVAILABILITY:** Available to large Commercial customers that locate new operations within NPU service territory and meet the qualifications of the **ELECTRIC LARGE COMMERCIAL (Manufacturers) - RATE EDGRRC**.

**QUALIFICATIONS:** To qualify for service under this Rider, the customer must have actual demand of at least 100 KVA and monthly usage of 100,000 kWh.

**TERMS AND CONDITIONS:** The customer must complete an Application for Economic Development Rate Rider for potential participation in the program and comply with the requirements set forth in the Economic Development Rate Rider Policy before this rider will apply.

**RATE EFFECTIVE**

**NOVEMBER 1, 2021**

**ECONOMIC DEVELOPMENT RIDER DISCOUNT:** The Economic Development Rate Rider is an annual declining discount applied over a 12-month period for a duration of five years. Each year's discount is as follows:

Year 1 \$0.01800 per kWh  
Year 2 \$0.01439 per kWh  
Year 3 \$0.01078 per kWh  
Year 4 \$0.00722 per kWh  
Year 5 \$0.00361 per kWh

**OTHER:** The Economic Development Rate Rider applies only to the Electricity Used charge and not to the Purchased Power Adjustment, Demand charge, Energy Efficiency Fund charge, or any other charge/credit.

**LED ELECTRIC PRIVATE AREA LIGHTING - RATE EPALED**

**AVAILABILITY:** Available to customers for LED lighting purposes.

<b>RATE EFFECTIVE 2022</b>		<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1,</b>
	<b>kWh Per Light</b>	<b>Rate Per kWh</b>	<b>Rate Per kWh</b>
EPALD 29 – 0 to 29 Watt LED	9	\$0.63516	\$0.64305
EPALD 39 – 30 to 39 Watt LED	13	\$0.52705	\$0.53495
EPALD 49 – 40 to 49 Watt LED	16	\$0.44818	\$0.45606
EPALD 59 – 50 to 59 Watt LED	20	\$0.37579	\$0.38368
EPALD 69 – 60 to 69 Watt LED	23	\$0.36672	\$0.37461
EPALD 79 – 70 to 79 Watt LED	27	\$0.34740	\$0.35529
EPALD 89 – 80 to 89 Watt LED	30	\$0.34329	\$0.35119
EPALD 99 – 90 to 99 Watt LED	34	\$0.34923	\$0.35712
EPALD 124 – 100 to 124 Watt LED	40	\$0.33754	\$0.34543
EPALD 149 – 125 to 149 Watt LED	49	\$0.31058	\$0.31846
<b>ELECTRIC CAPITAL TRACKER</b>		\$0.00 per kWh	\$0.00 per kWh

**PURCHASED POWER ADJUSTMENT:** The Purchased Power Adjustment Rate will be applied to all kWh billed.

**ENERGY EFFICIENCY FUND:** A charge will be applied to all billed kWh consumption to recover the costs of investment in renewable energy resources and energy efficiency and load reduction initiatives through the NPU Energy Efficiency Fund.

**MINIMUM CHARGE:** The minimum charge shall be the Rate per kWh multiplied by the applicable kWh per Light consumption.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

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**ELECTRIC CAPITAL TRACKER:** A charge applied to all billed kWh consumption to recover the costs of investment in Capital Infrastructure. This charge will be reviewed and adjusted periodically as necessary through applicable rate adjustment processes and procedures to reflect the funding needs of specific capital projects as approved by the Board of Public Utilities Commissioners. This tracker will reflect all applicable taxes.

**PURCHASED POWER ADJUSTMENT:** Electric rates include a base power cost. The Purchased Power Adjustment (Charge or Credit) applied will be the actual power costs billed to Norwich Public Utilities by its Wholesale Supplier less the amount of purchased kWh priced at the base power cost. The total Purchased Power Adjustment Charge or Credit will be adjusted to reflect all applicable taxes.

**ENERGY EFFICIENCY FUND:** A charge will be applied to all billed kWh consumption to recover the costs of investment in renewable energy resources and energy efficiency and load reduction initiatives through the NPU Energy Efficiency Fund. This charge will be reviewed and adjusted periodically as necessary to meet funding needs, to comply with applicable State of Connecticut legislative requirements, and to reflect all applicable taxes.

**MINIMUM CHARGE:** All active electric accounts having no electricity use charges will be billed a minimum charge. This minimum charge covers costs associated with service requirements, including metering, maintenance and infrastructure costs.

**PENALTY:** A penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**EFFECTIVE:** For bills rendered on or after November 1, 2021 and November 1, 2022.

**NORWICH PUBLIC UTILITIES  
NATURAL GAS SERVICE RATES**

**RESIDENTIAL GAS SERVICE – RATE GRES**

**AVAILABILITY:** Gas service for year-round use in single family residential dwellings and appurtenances and multi-family residential dwellings serving five or less units from a single meter for all its household requirements.

<b>RATE EFFECTIVE</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1, 2022</b>
Customer Charge, Per Month	\$22.16	\$24.71
Commodity Charge:		
First 30 Ccf per month	\$1.82208 per Ccf	\$1.86260 per Ccf
All over 30 Ccf per month	\$1.43278 per Ccf	\$1.41301 per Ccf
<b>GAS CAPITAL TRACKER</b>	\$0.00 per Ccf	\$0.00 per Ccf

**PURCHASED GAS ADJUSTMENT:** The Purchased Gas Adjustment Rate (PGA) will be applied to all Ccf billed.

**GAS EFFICIENCY FUND:** A charge will be applied to all billed Ccf consumption to recover the costs of investment in gas efficiency and load reduction initiatives through the NPU Gas Efficiency Fund

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**RESIDENTIAL GAS SPACE HEATING – RATE GSHRES**

**AVAILABILITY:** Available to any multi-family residential customer serving six or more units from a single meter for year-round use gas service. The term of availability of this rate shall be for 12 months and yearly thereafter.

<b>RATE EFFECTIVE</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1, 2022</b>
Customer Charge, Per Month	\$61.93	\$63.09
Commodity Charge: All Ccf per month	\$1.36934 per Ccf	\$1.40882 per Ccf
<b>GAS CAPITAL TRACKER</b>	\$0.00 per Ccf	\$0.00 per Ccf

**PURCHASED GAS ADJUSTMENT:** The Purchased Gas Adjustment Rate (PGA) will be applied to all Ccf billed.

**GAS EFFICIENCY FUND:** A charge will be applied to all billed Ccf consumption to recover the costs of investment in gas efficiency and load reduction initiatives through the NPU Gas Efficiency Fund

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**COMMERCIAL GAS SPACE HEATING (Non- Manufacturers) - RATE GSH**

**AVAILABILITY:** Available to any Commercial and Industrial customer for gas space heating and air conditioning gas service. Other uses of gas service may also be included if the entire building is heated with gas. The term of availability of this rate shall be for 12 months and yearly thereafter.

<b>RATE EFFECTIVE</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1, 2022</b>
Customer Charge, Per Month	\$62.66	\$63.83
Commodity Charge: All Ccf per month	\$1.38546 per Ccf	\$1.42540 per Ccf
<b>GAS CAPITAL TRACKER</b>	\$0.00 per Ccf	\$0.00 per Ccf

**PURCHASED GAS ADJUSTMENT:**

The Purchased Gas Adjustment Rate (PGA) will be applied to all Ccf billed.

**GAS EFFICIENCY FUND:** A charge will be applied to all billed Ccf consumption to recover the costs of investment in gas efficiency and load reduction initiatives through the NPU Gas Efficiency Fund

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**COMMERCIAL GAS SPACE HEATING (Manufacturers) - RATE GSHGRC**

**AVAILABILITY:** Available to Commercial and Industrial customers classified as Manufacturers under applicable State Law for gas space heating and air conditioning gas service. Other uses of gas service may also be included if the entire building is heated with gas. The term of availability of this rate shall be for 12 months and yearly thereafter.

<b>RATE EFFECTIVE</b>	<b>NOVEMBER 1, 2021</b>	<b>NOVEMBER 1, 2022</b>
Customer Charge, Per Month	\$59.18	\$60.29
Commodity Charge: All Ccf per month	\$1.30849 per Ccf	\$1.34621 per Ccf

**GAS CAPITAL TRACKER** \$0.00 per Ccf \$0.00 per Ccf

**PURCHASED GAS ADJUSTMENT:**

The Purchased Gas Adjustment Rate (PGA) will be applied to all Ccf billed.

**GAS EFFICIENCY FUND:** A charge will be applied to all billed Ccf consumption to recover the costs of investment in gas efficiency and load reduction initiatives through the NPU Gas Efficiency Fund

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**GENERAL GAS SERVICE (Manufacturers) - RATE GGGRC**

**AVAILABILITY:** Available for all gas use by Manufacturer customers where distribution facilities are suitable for the services required. The term of availability of this rate shall be for 12 months and yearly thereafter.

**RATE EFFECTIVE** **NOVEMBER 1, 2021** **NOVEMBER 1, 2022**

Customer Charge, Per Month

\$59.18

\$60.29

Commodity Charge:

First 200 Ccf per month

\$1.41466 per Ccf

\$1.41577 per Ccf

All over 200 Ccf per month

\$1.35221 per Ccf

\$1.41577 per Ccf

**GAS CAPITAL TRACKER**

\$0.00 per Ccf

\$0.00 per Ccf

**PURCHASED GAS ADJUSTMENT:**

The Purchased Gas Adjustment Rate (PGA) will be applied to all Ccf billed.

**GAS EFFICIENCY FUND:** A charge will be applied to all billed Ccf consumption to recover the costs of investment in gas efficiency and load reduction initiatives through the NPU Gas Efficiency Fund

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PENALTY:** A monthly penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**GAS CAPITAL TRACKER:** A charge applied to all billed Ccf consumption to recover the costs of investment in Capital Infrastructure. This charge will be reviewed and adjusted periodically as necessary through applicable rate adjustment processes and procedures to reflect the funding needs of specific capital projects as approved by the Board of Public Utilities Commissioners. This tracker will reflect all applicable taxes.

**PURCHASED GAS ADJUSTMENT:** Gas rates include a base purchased gas cost. The Purchased Gas Adjustment (Charge or Credit) applied will be the actual power costs billed to Norwich Public Utilities by its Wholesale Supplier less the amount of gas purchased priced at the base purchased gas cost. The total Purchased Power Adjustment Charge or Credit will be adjusted to reflect all applicable taxes.

**ENERGY EFFICIENCY FUND:** A charge will be applied to all billed Ccf consumption to recover the costs of investment in gas efficiency and load reduction initiatives through the NPU Gas Efficiency Fund. This charge will be reviewed and adjusted periodically as necessary to meet funding needs, to comply with applicable State of Connecticut legislative requirements, and to reflect all applicable taxes.

**MINIMUM CHARGE:** All active gas accounts having no gas use charges will be billed a minimum charge. This minimum charge covers costs associated with service requirements, including metering, maintenance and infrastructure costs.

**PENALTY:** A penalty charge equal to 1.5% of the unpaid balance compounded monthly is added to all bills not paid within 25 days of the billing date.

**EFFECTIVE:** For bills rendered on or after November 1, 2021 and November 1, 2022.

Item 11. Strategic Presentations. CEN Public WIFI Update. John Covey presented the Board with information on the CEN Public WIFI. Discussion followed.

Natural Gas Supply Forecast. Steve Sinko presented the Board with information on the natural gas supply forecast. Discussion followed.

Item 12. American Rescue Plan and Federal Infrastructure Investment. Laura Huren spoke to the Board regarding the American Rescue Plan and Federal Infrastructure Investment. Discussion followed.

Item 13. Executive Session – 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. This information is commercially valuable, confidential and proprietary and is not public disclosure, pursuant to Public Act No. 98-212; and, To Discuss Personnel Matters of an Employee(s) and/or Public Official, pursuant to Chapter 14, Section 1-200 (6) (A) of the CT General Statutes.

Secretary Goldblatt, seconded by Vice Chairman Peil moved to enter into Executive Session at 7:39 p.m. Unanimously approved. General Manager LaRose, Steve Sinko, Jeff Brining and Larry Sullivan were asked to stay for Executive Session.

The Board came out of Executive Session at 8:13 p.m. Commissioner Warzecha, seconded by Secretary Goldblatt moved to approve the Wastewater Collections System Maintenance Foreman job description. Unanimously approved.

Vice Chairman Peil, seconded by Commissioner Avent moved to adjourn the meetings at 8:14 p.m. Unanimously approved.

The next Regular Meetings are scheduled to be held on Tuesday, September 28, 2021.

Attest:

Michael Goldblatt  
Secretary