



**SPECIAL COMMON COUNCIL MEETING
WORKSHOP
KLEEN ENERGY – WATER DEVELOPMENT
February 3, 2003
6 P.M.**

- Special Meeting** The special meeting of the Common Council of the City of Middletown was held in the Council Chamber of the Municipal Building on Monday, February 3, 2003 at 6 p.m.
- Present** Mayor Dominique S. Thornton, Council Members Gerald E. Daley, John L. Robinson, Elizabeth K. Nocera, Robert P. Santangelo, Phrances L. Szewczyk, Jesse J. Salafia, Ronald P. Klattenberg, James B. Streeto, Stephen T. Gionfriddo, Earle V. Roberts, Jr., Joseph E. Bibisi, Francis T. Patnaude, Corporation Counsel Daniel B. Ryan, Sergeant-at-arms Officer Aresco, and Common Council Clerk Marie O. Norwood.
- Absent** Councilman Jesse J. Salafia
- Also Present** Hartford Courant Reporter Josh Kovner, Middletown Press Reporter John Zorabedian, WIHS Reporter Paul Kretschmer and 25 members of the public.
- Meeting Called to Order** The Acting Chair calls the meeting to order at 6:12 p.m. and leads the public in the Pledge of Allegiance.
- The Acting Chair asks for a brief moment of silence for the astronauts from the Columbia Shuttle
- Noted for the Record** The Mayor enters the meeting at 6:15 p.m.
- Call of Meeting Read** The Call of the meeting is read and accepted. The Mayor declares this call a legal call and the meeting a legal meeting.
- Workshop Opens** The Chair opens the workshop at 6:15 p.m.
- William Corvo introduces the team for the water diversion and development project, Rick Audette, O&G Industries, Guy Russo, the City's Water Department; Nicole Burnham, and Jim MacBroom. He introduces his partner Philip Armetta and their attorney. Mr. Corvo asks Mr. Audette to take the Council through the presentation. He asks the Council to hold questions to the very end.
- Mr. Audette gives an overview of the presentation. He wants to include the City of Middletown as a partner in the water development. He gives the status of the power plant, stating that local permitting has been completed with Planning and Zoning and Inland/Wetlands. The Siting Council decision was given in November, 2002 and the air permit status is a draft permit and is being reviewed. The wastewater discharge permit is under discussion with the DEP. Gas supply is being negotiated with a major firm. Water Supply items will be what you will hear this evening.
- The schedule for development is the fourth quarter of 2003 with the hope of producing power by 2006. He states the average demand will be for 2.8 million gallons of water per day with a maximum of 4.5 million gallons. This maximum may increase to 5.8 million gallons if they optimize the plant to produce more electricity. The power plant water supply is for cooling, system make-up water, and fire protection.
- Mr. Audette turns the discussion over to Nicole Burnham who gives an overview of the classes of water. She states that the Connecticut River is a class B river, not considered potable. It was important to determine if they would use surface or ground water because they are treated differently. They looked at five alternatives; first was on-site ground water wells. The power plant would operate and have control. They would be bedrock wells and would not produce a high volume of water. They then looked at the treatment plant effluent. It will not be available for a long term supply. They also looked at the Mattabasset District effluent, but it would require construction of 28,000 linear feet of piping through Middletown. This would be a lengthy construction process and would be disruptive to the City. They looked at purchasing water from the City. Guy Russo states the City

maintains two active supply systems and one emergency system. Higby has 1.09 million gallons a day and the Roth Well has 7.48 million gallons a day and Laurel Brook is for emergencies. They are class A water. Ms Burnham shows the current and projected usage and based on current assets and consumption, after the year 2020, they would be into the City's safe yield margin and by 2040, they would be using all the safe yield. The power plant was discouraged from coming to the City to purchase water. Ms Burnham states that is why they came to the Connecticut River. The project owns waterfront land and the withdrawal will be minimal impact. There is a significant amount of infrastructure and a lengthy permit process through the DEP. They needed to look at how to get water from the river. She discusses the alternatives. They investigated south of Bodkin Rock and immediately across from it. The river bed has a deep sand and gravel bed. This means a passive collection system, collector wells could work. They are looking across from Bodkin rock. She shows a schematic collection well. No construction occurs in the river. The caisson occurs above the 100 year flood plain. There are three elements: collector wells, water main and storage, and treatment facility. They are proposing to upgrade the road around the chicken farm and move it across the railroad tracks to the site. The grade will be less than 10%. The rail line is inactive and both DOT and Providence have signed off to use the crossing. Development in the flood plain was a concern. The caisson extends above the flood plain. The road is in the floodplain. There won't be an impact to flood flows with the design. The walls will be visible from the river, so they looked at something aesthetic. They are looking at stone masonry and the pump house will be secure with a cantilever deck and may be open to the public for passive use. The water main would go adjacent to private property, a short run on River Road and then to the power plant property. It will come to a raw water storage and treatment facility. There will be no construction activity on Bow Lane; however, permanent access would be using Bow Lane about once a day and it would be a restricted access. Ms Burnham shows the storage tank and small treatment building at the very end of Bow Lane – a long distance from the end of Bow Lane.

Jim Mac Broom discusses the impact on the Connecticut River. The proposal is to take water from the aquifer below the bottom of the Connecticut River. This is the largest river in New England and has a substantial watershed in Connecticut. The lower part of the river is tidally influenced. The tide in Middletown is about 18 inches. At low flow, the tide is noticeable and directional. Sometimes the river looks like it is flowing northward. The stream bed is below the water level of Long Island Sound. It may be 40 feet deeper than Long Island Sound. He discusses the flow rates; the volume of water per unit of time. It is a comfortable flow even in dry weather. The power plant even during the dry weather, the water demand is only .1% of the river flow. He doesn't anticipate this as an adverse activity for the Connecticut River.

William Corvo states the benefits to Middletown for participating in this project. It is the development of a new industrial water supply; infrastructure will be permitted and developed by Armetta and Associates and the City of Middletown. Through the development phase, the cost is 0.

Councilman Robinson asks about the pump station and public usage around the station. What about the noise at the pump station. Mr. Audette responds the noise is not heard. Pumping activity is below the level of the grade. There is no noise in that facility. Councilman Robinson asks if there would be impact on the designation of the Connecticut as a heritage river. Mr. Audette states no. Councilman Robinson asks about the water freezing; Mr. Corvo replies the way water gets taken is from under the water bed. Freezing will not make a difference.

Councilman Patnaude asks if this went before the WPCA; Mr. Corvo replies no. Councilman Patnaude asks why. Mr. Corvo responds the proposal is an economic development proposal and is about the Kleen Energy project. It was made at Economic Development and anything taking place is on their nickel. Mr. Russo is staff for the project. The bulk of work was done by Mr. Mac Broom and their people at no expense to the City. Councilman Patnaude states he likes that, but why is the decision up to Mr. Russo. Why do we have a WPCA? This will impact them. It should have gone to them to discuss these principles. It is an independent project, and eventually it will cost the City money. Mr. Corvo responds this will not cost the City of Middletown money; Kleen Energy signs the agreement to make it happen and it will make payment to all the money. In essence, it is their development approach, there will be a net return of revenue. Councilman Patnaude states what bothers him is we have authorities here; why they were not included, he has no idea. They will be responsible. Mr. Corvo states he answered that question.

Councilwoman Nocera states the proposed site for the collector wells is owned by whom. Mr. Corvo replies one is located on Armetta property and the other on property that will be owned by the City of Middletown. Councilwoman Nocera asks regarding residential property, the City will be owning it. Mr. Corvo replies right now Armetta and Associates own 85 acres and it is not in a residential area. The topography is steep and adjacent to the railroad tracks. Two houses are located to the south of their property and that elevation is several hundred feet above the river area and the wells will be well below that area.

Noted for the Record

Corporation Counsel Daniel Ryan enters the meeting at 6:52 p.m.

Councilwoman Nocera asks regarding the improvements to Bow Lane who will provide the work and pay for it. Mr. Corvo states he received information from Public Works that they are in the process of extending Bow Lane for a school bus turnaround. The City is extending that road and then they will be responsible for what is not done. Councilwoman Nocera asks regarding the statement that their won't be a cost, but the action the Council is taking is to approve a reimbursement; the costs would be upfront and then the City would assume the costs. Mr. Corvo states that Armetta would end up in a joint venture and they are negotiating an agreement. They want a joint venture in the development of the water entity. The revenue bonds paid by Kleen Energy revenue streams will provide all the income necessary to compensate for the development and joint venture. If for some reason Kleen Energy doesn't develop and they go forward and get a diversion permit, what they have asked for is if the City wants to use the diversion permit, they have asked for compensation of out of pocket expenses.

Councilman Klattenberg states the reimbursement agreement doesn't reflect what you are saying. His question deals with capacity and deals with the new water supply. He asks what will be excess capacity in the wells. The initial figures showed the average take of 2.8 million gallons per day and it could go to 5.8; the residual is what is left for other industrial purposes. This is a long term relationship. This can treat 10 million gallons per day. The excess cost is being born by Kleen Energy. All the costs would be born by Kleen Energy. If they get other users down the road, or a potable use backup system is made, then we would examine costs.

Councilman Streeto asks as the agreement is written, if this goes forward and you succeed we are not out of pocket anything; if the project doesn't go forward and we don't do anything, we don't owe anyone. If it falls through and we go forward, we will pay. Mr. Corvo states that is correct.

Motion to Recess

The Chair states it is the time for the regular meeting and a motion to recess the special meeting is in order. Councilman Robinson moves for a recess and is seconded by Councilman Daley. There is no discussion. The vote is called and it is unanimous to approve with eleven aye votes. The Chair declares a recess at 7:00 p.m.

Meeting Reconvenes

The Chair calls the meeting back to order at 7:02 p.m. She recognizes Councilman Roberts.

Councilman Roberts asks who will be on the application; Mr. Corvo states the City of Middletown and Armetta and Associates. Councilman Roberts asks if this fits the application; it is pretty clear the permitted applicant has to be a direct user for a portion of some or all of the water. Does that mean immediately upon the development of the water system – do both have to become direct users. Mr. Corvo states we will enter into a negotiation for a long-term joint operation. At the present time Armetta and Associates owns land where one well is being placed. And the City will take ownership of land for the second well. Councilman Roberts asks if it is the chicken farm. Mr. Corvo responds yes. Councilman Roberts states if this isn't tabled, we are discussing this on land we don't own yet. Mr. Corvo states within the time frame of the permit, ownership of the farm will come to Middletown. If the Council wants to wait for the deed, the time frame for the diversion permit, ownership will take place in a week or so. Councilman Roberts states the initial application was for 4.5 million gallons; Mr. Corvo replies it is for 520 megawatts. Councilman Roberts states that configuration gives the maximum take; how does the City fit in. Mr. Corvo states this is industrial water and presently the only demand would be ourselves and industrial users in our neighborhood. Councilman Roberts states if co-partnership benefits the City, we apply for the permit, the plant gets built, and we are drawing 4.8 million gallons a day and that is what the permit allows, what is the excess. Mr. Corvo replies the permit application is for diversion of 10 million gallons per day. Councilman Roberts states in that scenario there is enough water to sell or use it on demand. Mr. Corvo states if there were a second user to use the water, he believes the peak consumption of 5.8 million gallons would give a residual of 4.2 million gallons per day using that permit. Councilman

Roberts states along the same line of thinking and a benefit to the City is extending Bow Lane the 1500 feet beyond that point. Mr. Corvo states they took a measurement and assumed they would have to get from the cul de sac to the location, approximately 1500 feet and they were not aware that the City was considering the extension of Bow Lane for a school bus turn around. Councilman Roberts asks if it is a City road. Mr. Corvo replies up to a restricted gate to their facility. There are other people who own property out there. It will be minimal traffic. Councilman Roberts asks about the structure of the pump house. That is in the floodplain. Mr. Corvo states that is correct. Councilman Roberts asks what agencies they would have to go through to build it in the flood plain. Mr. Corvo responds there was a line showing the caisson would be exposed to the 100 year flood, but the house would be above it. Councilman Roberts asks what liability the City would have on the pump house. Mr. Corvo responds they would have the appropriate insurance to cover anyone who would go on the property and he can't think of any other liability. It is not out in the river. Mr. Corvo asks Mr. Mac Broom to discuss the pump house. Mr. Mac Broom states the pump house is on the land and the caisson is a distance from the water. He explains the caisson is a concrete cylinder. Councilman Roberts asks to address his questions to Guy Russo and the City's interest. He asks what benefit would he tell the public if he supports this. Mr. Russo states it was highlighted this is an industrial area; they have the sewer inceptor project. It will allow for industrial water for the area and there is sewer service for the area. From an economic development stand point if you can offer industrial land with sewer and industrial water, it makes the area much more attractive for development. Councilman Roberts asks will they have water when new interceptor is put in. Mr. Russo responds it is only sewer, not water. Councilman Roberts states any future development for potable water, they would have to drill wells. Mr. Russo states they will look at on-site potable and class B industrial water. Councilman Roberts states it is class B that will have excess. Mr. Russo responds at this time. Councilman Roberts asks additional questions, trying to look at public's interest in this venture with the private sector; he discusses the possibility of a paper company. Mr. Russo states what goes into industrial area will be limited by sewer discharge and paper companies won't fit in there.

Mr. Corvo states one thing the Council shouldn't lose sight of is the purpose of the water diversion is to provide cooling water to the Kleen Energy power plant which will bring in millions of tax dollars. They could have gone for a permit on their own, and the advantage of including the City is because Meriden takes water for their power plant with no public benefit. Middletown will not pay any out of pocket expenses if Kleen Energy develops the power plant. The only reason they can bring this project forward is because of the revenue streams Kleen Energy can create. He looks forward to working with Mayor, Council, and City.

Workshop Closes

The Chair, hearing no further comments closes the workshop at 7:24 p.m.

Meeting Adjourned:

Councilman Daley moves to adjourn the meeting and is seconded by Councilman Klattenberg. The Chair calls for the vote and it is unanimous with eleven aye votes. The Chair adjourns the meeting at 7:24 p.m.

ATTEST:

Marie O. Norwood
Common Council Clerk