

TOWN OF WALLINGFORD, CONNECTICUT

TOWN COUNCIL MEETING

Town Council Chambers

September 14, 2010

The following Minutes are a record of the Regular Meeting of the Wallingford Town Council held in the Robert Earley Auditorium of the Wallingford Town Hall on Tuesday, September 14, 2010. The Meeting was Called to Order at 6:30 P.M. Responding present to the Roll Call given by Town Clerk Barbara Thompson were Councilors Vincent Cervoni, Nick Economopoulos, Jerry Farrell, Jr., Craig C. Fishbein, John LeTourneau, Robert F. Parisi, Rosemary Rascati, John J. Sullivan and Vincent F. Testa, Jr. Mayor William W. Dickinson, Jr., Town Attorney Janis Small and Comptroller James Bowes were also in attendance.

The meeting began with an Opening Prayer led by Father Gary Simone, Most Holy Trinity Church. Those in attendance recited the Pledge of Allegiance. The Roll Call was taken.

3. Consent Agenda

- 3a.** Consider and Approve Tax Refunds (#89 - #185) totaling \$13,249.04
Acct. # 001-1000-010-1170 - Tax Collector
- 3b.** Merit Review Anniversary Increase – Mayor
- 3c.** Confirmation of Request from the First Congregational Church for use of Parade Grounds September 12, 2010 from 9:00 A.M. to 1:30 P.M. for annual "Catch the Spirit" event – Chairman Robert F. Parisi
- 3d.** Acceptance and Appropriation of donation from Super Stop and Shop of \$2,500 to Professional Services – Entertainment Acct # 001-4001-901-9017 and to Miscellaneous Revenue Acct # 001-1075-070-7040 - Parks and Recreation
- 3e.** Acceptance and Appropriation of \$160 from Operation Fuel to *Youth & Social Services Special Fund* to Donations Acct # 213-1042-070-7010 and to Expenditures Acct # 213-3070-600-6000 - Youth & Social Services
- 3f.** Consider and Approve the Appointment of Joe Rusczek as an Alternate to the Zoning Board of Appeals to fill a vacancy for a term ending January 8, 2011
- Chairman Robert F. Parisi
- 3g.** Set a Public Hearing for September 28, 2010 at 7:00 P.M. regarding Subsurface Sewage Disposal Systems, Chapter 177, Article II
– Ordinance Committee C-Chairmen
- 3h.** Approve Minutes of Special Town Council Meeting of August 12, 2010
- 3i.** Approve Minutes of Special Town Council Meeting of July 19, 2010
- 3j.** Approve Minutes of Special Town Council Meeting of April 19, 2010
- 3k.** Approve Minutes of Special Town Council Meeting of April 20, 2010

Mr. Farrell made a motion to approve the Consent Agenda 3a.-3k. Mrs. Rascati seconded. All Councilors present (9) voiced Aye. The motion passed.

Town Clerk Barbara Thompson swore in Adwin (Joe) Rusczek as Alternate to the Zoning Board of Appeals

4. Items Removed from the Consent Agenda

None

5. PUBLIC QUESTION & ANSWER

Robert Gross, 114 Long Hill Road, asked about the \$200K in the budget to pave the parking lot behind Simpson Court. Mr. Bowes said that pursuant to the Town Charter, the funds lapsed 6/30/10. Mayor Dickinson said that since others are interested in seeing the project move forward, that the funds will probably be re-appropriated. Mr. Gross said that he cannot find these funds in the budget. Mr. Bowes said at the end of the year everything flushes clean; that the Town Council receives a monthly report, which are open to the public, of projects that are open and that the funds are within the Capital and Non-Recurring section of the budget.

Pat Hogan, President and Founder of Wallingford Tenant Council, introduced herself. Several board members were present. The Vice-President read a prepared statement in support of the appointment of Pat Hogan, as tenant representative, to the Wallingford Housing Authority.

Christine Bee, 8 Saddlebrook Drive, raised questions with regard to the feasibility studies for the new firehouse on the proposed North Farms Road site and on the Barnes road site. Mayor Dickinson stated that the study looks at the feasibility of a firehouse considering things like utilities, topography, building location, etc. Mayor Dickinson reviewed the process stating that the Fire Chief sees the report first, review of the information, decision of which site is most viable. He stated that public discussion will take place. When the architect is hired, following the feasibility study, that is when some of the details will be seen. Ms. Bee asked why the town could not use the Town Engineer. Mayor Dickinson said that that our Town Engineer is not accustomed to designing or locating buildings on a piece of property. He doesn't have that expertise. Mayor Dickinson added that there were specifications that were used by the Purchasing Office for hiring a firm for the project. Some of the specifications required that the bidder have designed at least five fire houses and be familiar with the design location of such facilities.

Chairman Parisi explained that this is a very transparent process. It will be openly discussed.

Bob Hogan, Grieb Road, shared a Record-Journal newspaper article that reported cost savings the Towns of Southington and Cheshire are reaping for sharing purchasing costs for chemicals at the water treatment plant. He asked if Wallingford could also participate. Mayor Dickinson indicated that this can be passed on and reviewed by the PUC and by town departments as well.

6. Report out from the Town Pension Commission regarding latest performance reports, progress on the creation of a new investment strategy, and update on the activities of the investment (advisor) - Councilor Vincent F. Testa, Jr.

Mr. Testa said that his intention was to talk about the Pension Commission since the Council hasn't in a while. He spoke about the establishment of a revised, updated investment strategy with the outside consultant that was hired. He said he thought it would be a good time to have the Pension Commission come and review for the Town Council with regard to the performance over the past two years, in particular the last year. He added that it is also to learn what the investment advisor has been doing, and to learn about the process of going out to bid for another money management firm, and finally to hear the thinking of the Commission going forward.

In attendance:

James Bowes, Town Comptroller, and a member of the Pension Commission

William Pello, Pension Commissioner

Wallingford Town Hall, 45 South Main Street

Quality performance update

Mr. Bowes referred to the handout (Appendix I) and reviewed it with the Town Council. He talked about the portion of the portfolio managed by the Bank of America and by OFI Institutional. He referred to the long view of the funds going back to their inception of the funds, beginning in the 1980s. He said that the portfolio is divided into two sections, the growth section, managed by Bank of America section and the value portion, managed by OFI. Specific returns of the managers are reflected in the report that was handed out by Mr. Bowes.

Progress on the creation of new investment strategy

Mr. Bowes indicated that over the last year the Commission has been working on a revised investment policy statement. They have been working on language with the consultant and have finalized language in a final draft document. He explained that he hopes it will be adopted by the Pension Commission meeting later this month. He added that any thoughts, concerns and changes of Commission members and of the third party consultant have been taken into consideration and incorporated into each draft as they went along with the policy statement. Mr. Bowes said that the investment policy statement takes into account several factors, such as asset allocation and strategy, investment managers evaluation, selection and replacement. He said that the commission hopes to broaden the potential investment opportunities for the asset portfolio.

Update on the activities of the Investment Consultant

He reported that a third-party investment consultant in an independent firm that does not have any ties to any investment house has gone out to bid. Currently they are using FIA to manage investment managers and products and to manage strategies. Concurrently, a few things are happening. He talked of coming to the Town Council for a bid waiver so the Commission can evaluate and select firms based upon something other than just a low price. He said that he hopes that the investment advisor will be available for the October 12th Town Council meeting to discuss the criteria to select an investment manager.

Mr. Bowes reported that they have started the coordination of efforts between our investment advisor and the actuarial firm to coordinate efforts between the assumptions that they use in our actuarial evaluation and the asset allocation that they are going to be pursuing to ensure that they are going to get the returns that they need to make sure they are making the actuarial rate of return over a long period of time.

Mr. Testa and Mr. Bowes discussed in more detail the specifics of the investment returns in the performance report; the investment consultant and the contribution the consultant made to the Commission is the development of the IPS (Investment Policy Statement); the recommendation of the consultant to change the OFI manager due to changes in that management structure; the reason why the town did not follow a recommendation of divesting internationally; the use of professional money managers in making decisions on investments; determination of assumptions with regard to the actuarial firm and the annual actuarial report. Mr. Bowes said that they have looked at other Connecticut towns and they are in the same boat as Wallingford, although some are not as good as Wallingford.

Bob Gross, 114 Long Hill Road, said the “over the years 1% makes a difference.” With regard to OFI’s management changes, he stated that Bank of America has had massive management changes too. Mr. Gross spoke about the cost of the consultant; the 60/40 stock market/bonds balance; the actuary report; and being fully funded.

Wes Lube, Montowese Trail, gave his credentials; declared his investment policy opinion; and talked about his own study in comparing monthly reports; and 8% return opinion.

7. Discussion on recent emissions violations at the Covanta Energy facility, the State of Connecticut Department of Environmental Protection lawsuit and possible Town of Wallingford participation in pending legal action - Councilor Vincent F. Testa, Jr.

*In attendance: Stephen Diaz, Regional Vice-President
Cheryl Thibeault, Business Manager, Wallingford Facility*

Mr. Testa said they wanted to hear from Covanta what happened and to give an overview of monitoring protocol. He asked if there was any benefit to the town to joining the lawsuit. He added if this has been considered, and if it has, does this inhibit our ability to even discuss this in any way.

Town Attorney Janis Small said that if the Covanta representatives have an issue, she imagines that they will stop talking. She said that she did speak with one of the attorneys involved and that it is her understanding that the purpose from the state's perspective of bringing the lawsuit is so the resolution of it can actually be entered as a court-ordered, stipulated judgment. She said that there are ongoing discussions about resolving the matter between the DEP and Covanta.

Stephen Diaz said that they appreciate the opportunity to come tonight. In sharing prepared remarks with the Council and with the Mayor, he stated that everyone at Covanta knows that there is a great deal of interest in recent developments at the Wallingford Energy Waste Facility and that he wants to personally address all of the concerns. He said that as most of you are aware that in late spring, the regularly scheduled compliance stack test was conducted on all three Wallingford combustion units. He reported that preliminary results were delivered on July 2, 2010, and it was found that one of the three combustors exceeded the dioxin emission permit level.

He stated that Covanta immediately notified the Connecticut DEP, shut down the non-compliant unity, Unit 2, and began a full investigation into its performance. The unit today is still off-line and will remain that way until they have a start-up plan that is acceptable to the Department of Environmental Protection and the Attorney General. He said that the other two boilers were in compliance, and they remain in operation. He explained that Covanta acted quickly to evaluate the potential effects on the air quality. He stated that it determined that the ambient air concentration limits in the surrounding areas at all times remain far below the State of Connecticut's limits. He said that they have reviewed this analysis with the DEP. The stack test failure is an event that Covanta takes very seriously, and it marks a clear departure from their compliance objectives of 100% environmental compliance.

He said that it did not ever represent a health risk to the residents of the community. He commented that this same unit failed the stack test in 2007 but that there are some important differences. He said that in 2007 Covanta addressed the issue by modifying their carbon injection system and since that time the unit has operated properly; however, in this case, their investigation determined that there was a mechanical failure, a broken part in the unit's carbon injection system, which has already been repaired.

He continued stating that in August the Connecticut Attorney General Office filed an enforcement proceeding on behalf of the Connecticut DEP. He declared that Covanta has been working very closely with the Connecticut DEP and the Connecticut Attorney General Office and will continue to do so. He noted that the goal right now is to finalize and implement a plan to restart and test the effected boiler. He commented that Covanta is stressing that the shutdown of unit has not resulted in any interruption of services to Covanta's municipalities. Covanta is continuing to move waste through the facility pursuant to their contingency plans and their solid waste permit requirements.

In combination with their other in-state resources and partnerships, Covanta has been and will continue to accept all waste delivered from their municipalities. Mr. Diaz stated that it is unacceptable to Covanta to have an exceedance of dioxins but that environmental excellence is at the heart of what Covanta does and that their employees are dedicated to ensure that each of their facilities operate in a safe and compliant manner, 24/7. He added that Covanta operates three other energy-from-waste facilities in the state, and they have long-standing relationships with municipal officials like Wallingford. He said that their commitment here is absolute, and he personally assured everyone that they are working diligently to resolve the situation.

Mr. Diaz and Ms. Thibeault discussed with Councilors the protocols of testing; Covanta's operations and maintenance procedures; requirements of the state's formal one test per year; response time to shutting down with a negative report based on a preliminary report; public's peace of mind; what a stack test is; the difference between the stack test and how Covanta measures versus the state compliance measurement testing; the good constituent comments with regard to odor reports to Covanta, separate from the incident in question, and that a Covanta supervisor drove to the resident's home to meet them on the same day with reassurance that the odor was not coming from the Covanta plant and the satisfaction of those involved with Covanta's response to residents.

Mr. Diaz offered to bring back Covanta's Environmental Team to the Council to discuss stack testing perimeters and specifics of the test itself, the process as dictated from the State of Connecticut. He reiterated this offer several times to the Council. It was stated that if residents have a concern that they can call Covanta directly, Ms. Thibeault or Ms. Zaback in the Program Planning Office.

It was established that the stack testing has a formal plan that they follow and that the testing is performed by a DEP approved, neutral party and that DEP staff are on-site during the testing.

Mr. Diaz added that Covanta's commitment to the Town of Wallingford should be quite evident to everyone and that they are very happy that they are part of Wallingford and that their ability to service all of the municipalities for an extremely long period of time is their goal. Safety and environmental compliance, 100%. He said that anyone who has questions should reach out to Covanta, and Covanta will come to discuss it.

Chairman Parisi said that Covanta has an excellent record of responding and that he has never had any complaints or problems with Covanta's response to the town or the people. He asked if this lawsuit is normal and that it seems a little harsh.

Mayor Dickinson commented that he was contacted by Mr. Gerard of DEP, who indicated that they have a toolbox of approaches that they can use. Given that this same unit produced a problem a couple of years ago, DEP felt that this was the appropriate course to take.

Mayor Dickinson said, however, Mr. Gerard indicated that Covanta was cooperating with them and that the DEP doesn't have any problems with that aspect of it. DEP felt that they needed a more formal resolution to the matter, and Mr. Gerard didn't color it as though this was the only way the DEP was going to get what they needed.

In response to Mrs. Rascati, Mr. Diaz added that they have a one-per-year mandated testing but Covanta also has operating and maintenance, O & M, control that they look at 24/7, which involve everything that they do at the facility. Routinely, this is what they do. They also have a process called continuous emissions monitoring and data is collected either in four-hour blocks, daily blocks, or whichever period, is turned over on a quarterly basis to the state. The one component

here, dioxin, that is tested in the annual level but that all of their other emissions are monitored daily and that information to readily available to the state.

Bob Gross, Long Hill Road, made comments with regard to the testing at the plant does emit chemicals and ambient testing. He made comments with regard to the carbons and the timeframe of the event.

Mayor Dickinson stated that he asked Mr. Gerard at DEP if there was a health threat and he said that there was not. Mr. Diaz confirmed this information.

Chairman Parisi asked Mr. Gross to hold his questions for Covanta's environmental team.

Ben Martin, Ward Street, wanted to know if Covanta has been handling the load for two months, then why is there a need to re-activate it. Ms. Thibeault said that they have been operating without it at a significant cost to Covanta because of the obligation to their municipalities that they would not bear that financial issue. She stated that they need that unit back up so that Covanta can stop transferring the waste to other waste-to-energy facilities. Mr. Martin asked if putting it back online was to increase Covanta's profits.

Mr. Diaz stated that there is an amount of tonnage that is delivered annually from the five municipalities that utilizes the capacity of the facility. He said that Covanta is not able to burn all the capacity from the five municipalities when Covanta is operating with two boilers. He said that they are diverting waste to the other infrastructure that Covanta has in the state, and Covanta bears this cost. He reported that Covanta takes all of the waste from all of the municipalities. They haven't turned back one load, and they find a safe environmental home for the waste.

Mr. Martin referred to the current contract and asked if there were any stipulations in the contract that if environmental regulations were violated that there would be some penalty or is there some way to get out of the contract or can the contract could be negotiated.

Mayor Dickinson said that he believes that there are provisions that if the plant cannot operate properly that there are provisions regarding termination of the contract and disposition of the whole arrangement but that assumes that it can't be fixed. He said that there are obligations of the parties with a variety of circumstances but in a circumstance similar to the one being discussed, then Covanta has the obligation to fix the plant and have it operate within the perimeters of DEP and other standards require. He commented that if Covanta couldn't fix the plant that there are other provisions in the contract that handle that.

Mr. Martin made some comments that being in compliance with DEP is not necessarily non-polluting. He said that this is inherently a polluting operation and he doesn't think it is good for the town. He said that if there are environmental violations that could get us out of this contract, that he would definitely research them.

Robert Gross, 114 Long Hill Road, asked if under the contract, there is a problem with the smokestack and there needs to be repairs for environmental reasons, is the town obligated to help Covanta repair it.

Mayor Dickinson said that he would need to revisit the contract to be able to be sure of an answer to this question. He said that at this point that Covanta is not coming to the town with regard to payments or efforts on our behalf to fix the plant. Mayor Dickinson commented that he is not aware of anything in the current instance.

Mr. Diaz observed that the two most prevalent economic factors are the diversion of cost, moving the waste from Wallingford to another plant and the host fee. He reported that neither one of those economic criterion were hindered whatsoever to the Town of Wallingford.

Mr. Gross was not satisfied stating that from reading from the contract there are certain obligations that the town would be responsible for under certain situations even though we don't own the plant.

Chairman Parisi said that we started with the stack and that is where we are going to finish. Mr. Gross argued that that was a repair.

8. Presentation by Proton Energy systems regarding the Town's use of a 2009 Toyota Highlander fuel cell hybrid vehicle – Mayor

Mr. Farrell read the item. Mayor Dickinson stated that Mr. Moulthrop, the representative for Proton Energy, is not currently present but is coming in on a plane. It was suggested that the Council proceed to the Executive Session.

Mr. Fishbein asked the Mayor if this is a 1099 situation with this arrangement and is there going to be some sore of remuneration. We have an employee getting a benefit. Mayor Dickinson stated that a vehicle can be used by an employee, and at the end of term, the vehicle goes back to Proton. He stated that –it can't used it for personal use; that it is for use during the day for business activity; that it is the Health Department making inspections; that there is no commuting or anything of that kind; that it will be re-fueled; that the town will pay for the fuel; that it is re-fueled at the energy re-fueling station built at Proton; that the town, instead of buying gasoline, will pay for the hydrogen. Mayor Dickinson observed that it is more of an experiment where there is a vehicle that Proton Energy wants experience with, so they can find out how it operates in a stop/start type of daily use, and they felt that this might be the way of discovering the information that could be used in being able to market the vehicle and make it an option for people to purchase.

Mr. Fishbein told of being approached by Proton via an email sent to the Town Council Office offering the council members to be part of this program. He said that this email does not indicate that we would have to pay for this fuel. He said that he expressed an interest in being part of this program and that he does not know why, and that he will follow up with Mr. Moulthrop, as to why his interest was not dealt with. He wanted to know how we ended up with town having to pay for this fuel. Mayor Dickinson stated that one of the terms presented to him in the arrangement.

Mr. Farrell interjected that since Mr. Moulthrop and the Health Department are not present that the meeting should proceed to the next item, the Executive Session. He stated that if Mr. Moulthrop arrives during the Executive Session, then the Council can come back to Item 8.

Attorney Small said that he told me that he was coming from the airport. Attorney Small said that Councilor LeTourneau told her about the inquiry by this person. She said that company contacted her and that what they are looking for was a Town employee who would be driving it each day. This is just for town business; it's during town time for town business in exchange we give them feedback on the vehicle.

Mr. LeTourneau said that he has not seen a copy of the formal agreement. He said that all of the Council got the same email but from there they haven't seen any other documents, only the agenda backup from Sun Hydro and a copy of a Miami Herald article.

Attorney Small said that she could give him a copy of the agreements; it's a user agreement, and that is the whole purpose of putting it on the agenda so that he could make a presentation to the

Council. She said that when Mr. LeTourneau brought it to her attention that he was concerned whether it ended up being a gift to a Councilor so when they contacted her and then they contacted the Mayor, they were looking for a town employee to run it during the town's business time. It was not being given as a gift to someone.

Mr. LeTourenau said that he wants to see more detail of what the agreement is going to be. He assumed that obviously we are going to have to take a vote on this. Attorney Small said that the Council would not have to vote on this because it's not an action item, or something for the Town Council to approve. It would have been if it was a gift. We are paying for the fuel; we are obligated to give feedback and to attend the training. We thought it would be for the Council to hear a presentation of it.

9. Executive Session pursuant to §1-200 (6)(D) of the Connecticut General Statutes with respect to the purchase, sale and/or leasing of property – Mayor

Vice-Chairman moved the meeting along calling for the Executive Session during which time Proton Energy representative might arrive at Town Hall.

Mr. Farrell made a motion to move into Executive Session pursuant to §1-200 (6)(D) of the Connecticut General Statutes with respect to the purchase, sale and/or leasing of property as presented by the Mayor. Mrs. Rascati seconded. All Councilors present (9) voiced Aye. The motion passed. The Town Council entered into Executive Session at 8:33 P.M.

At 8:46 P.M., Mr. Farrell made a motion to come out of Executive Session. Mrs. Rascati seconded. All Councilors present (9) voiced Aye. The motion passed.

Executive Session attendance: All nine (9) Councilors, Mayor Dickinson and Town Attorney Small

8. Presentation by Proton Energy systems regarding the Town's use of a 2009 Toyota Highlander fuel cell hybrid vehicle - Mayor

In attendance: Larry Moulthrop, Vice-President Hydrogen Systems,
Proton Energy Systems, Inc.

Mr. Farrell read the introduction of the letter to the Council from Mr. Larry Moulthrop, which outlined the "Driving the future of renewable H2 transportation in Wallingford." (*Appendix II*) The letter stated that SunHydro LLC and Proton Energy systems of Wallingford, CT are embarking on their planned East Coast Hydrogen Highway with the October opening of their prototype SunHydro station at their corporate headquarters. Under an agreement with Toyota, SunHydro has a 10-vehicle demonstration fleet of Highlander FCHV fuel cell hybrid hydrogen vehicles to showcase the ease and practicality of hydrogen fueled vehicles. The vehicles will be transported here in early October. The letter also discusses the vehicle itself; fueling; and the key obligations and restrictions per the Permitted User Agreement.

Mr. Moulthrop introduced himself and said that he is representing both Proton and a new venture SunHydro, LLC. He stated that it will be the method to which Proton Energy Systems can accelerate the pathway to market for their water electrolysis hydrogen generation equipment and serve a new market, which will be the fueling of hydrogen vehicles. He said the innovation that Proton Energy and SunHydro is bringing to fruition is a packaged fueling station that can dispense hydrogen at the pressures required of a new class of hydrogen powered vehicle that virtually all of the vehicle OEMs are bringing to market and a promise to actually bring to the open market by 2015. He pointed out the artist's rendition of the final product which was displayed on the easel as

Wallingford Town Hall, 45 South Main Street

well as representations of what the fueling station that they have been permitted to build at their 10 Technology Drive location. He also discussed another display of an illustration of the vehicles that they will be using to initially prove-out the station.

Mr. Moulthrop explained that one of their challenges is to help build public opinion that fueling your vehicle with hydrogen is reliable, ecologically sound, economical and safe. He indicated that the best way to do that is to put the vehicles into the hands of influential people throughout the state. Proton energy and SunHydro have been fortunate to enter into an agreement with Toyota Motor Sales of Torrance, California. In order to promote the idea hydrogen fuel cell vehicles, Toyota has brought to the United States a fleet of 100 fuel cell powered vehicles based on the Toyota Highlander platform. We have been able to secure 10 of these vehicles to be based at their first SunHydro station. With the full agreement with Toyota, they have allocated six (6) of these to the community at large. Individuals that both SunHydro management and Toyota management have agreed would be good representatives in the town and state community at large.

Mr. Moulthrop indicated that they always wanted to allocate one of the vehicles for use here in the Town of Wallingford. He explained that through initial discussions and working with Attorney Small and Mayor Dickinson, they have identified an individual, Eloise Hazelwood, who would be able to make use of this vehicle during her normal business as Director of the Health Department. He stated his company's expectations of her that she use the vehicle and that she fuel it at the SunHydro station on 10 Technology Drive. Her only financial obligation is to pay for the fuel. Toyota, he said, has been very clear in the language in their contract that this is not a lease, that they are not getting any financial remuneration, and that they are not requiring the people in the program to make extraordinary measures in the use of the car. They want them to drive the car and to be honest in their experience driving the car to people in the community and for SunHydro's sake to honestly say what it is like to fuel the vehicle with hydrogen. He stated that this is the basic agreement.

Mr. Farrell said that there was a question earlier (before Mr. Moulthrop's arrival at the meeting) with regard to whether there was of a written agreement that the town that you and Toyota are going to enter into. He asked if there was such an agreement. Attorney Small said that there is a User Agreement that Toyota has. Attorney Small indicated that it is a basic user agreement, and she had the Risk Manager review it. The car is fully insured by Toyota. The Health Director read the agreement and the commitment to the training and there may be some meetings where they discuss the use of the vehicle and get periodic reactions to it. She said that she will share the agreement with the Council. There is no necessity to vote on that.

Mayor Dickinson said that the vehicle will be held at the Public Works area and would be picked up each day for use and then returned.

Mr. Fishbein asked about outdoor storage referenced in the material the Council reviewed unless allowed indoors by local zoning law. Mr. Moulthrop discussed the varying building codes that exist in the United States and that none of them have much discussion with regard to hydrogen vehicles, mostly because they are new. He said that at the international and national level there has been extensive research concerning what happens to a hydrogen vehicle if any gas escapes within a structure, like a parking structure or an open or closed garage. He said much of the research has concluded that it is fairly innocuous but some of that research has prescribed that certain extra measures may need to be taken. He said the research is not complete Toyota has elected to take the most conservative and benign approach and recommend that these vehicles be stored outside. He said that they will advise their drivers to do the same. To the Mayor, Mr. Fishbein wanted to know if Public Works has been directed to store this vehicle outside. Mayor Dickinson said that it would be held there like the other fleet vehicles in a parking lot in their yard. None of the vehicles are

parked inside a building. Mr. Fishbein said that he has been told that to be part of this program would not be prudent and perhaps be a conflict.

Councilor Sullivan commented on his tour to the Proton facility and he encouraged his fellow councilors to do the same. He said that the work there is astounding. Mr. Sullivan ask what is the fueling cost, and is it static or dynamic.

Mr. Moulthrop said that because this is a new technology and because there are certain things that we normally expect to be in place, such as weights and measures, regulations at the Connecticut level, and even at the national level, have not yet been finalized. He said he has no way to physically certify that the dispenser is giving you a certain amount and bill that to you. He stated that they are working on that, going all the way up to the National Institutes of Science and Technology. He said that a 'draft of standard' has been written and is under review. He said that he will be contacting the Connecticut equivalent to begin discussions with them. He said that when the station first opens in the middle of October, it will have a card-reader but the card-reader itself will not be calculating so much per kilogram. It will be adjustable to start. He said that what we have told everyone is that no one pays more per mile than what they would pay for an equivalent vehicle if it was a gasoline vehicle. We are talking about initially charging a fixed charge per fueling event in the neighborhood of \$20 per fill up. He said that it seems like an economical choice to begin with. He said that price won't be reflective of the actual cost to generate the hydrogen but is more reflective of what they expect the end price to be as we look out into 2012 to 2013 as the technology gets more engrained and more practiced. He said that this is a research project and such things as this need to be researched and worked out. That is why we are so anxious to have Eloise and other people working with us on this project.

Mr. Sullivan wanted to know if Mr. Moulthrop thinks that Connecticut will find a way to tax this fuel. Mr. Moulthrop said that would not surprise him. Mr. Sullivan asked if the town would be obligated to display this vehicle at *Celebrate Wallingford* for promotional purposes. Mr. Moulthrop said that the town is under no obligation but speaking for SunHydro they would be very appreciative if that came to pass. The language from Toyota states that if the vehicle is to be displayed at a significant event is that SunHydro and Proton Energy Systems and Toyota have some advance notice.

Mr. LeTourneau stated that he thinks that this is a great project. He expressed concern with the cost of fuel. He said that it is the responsibility of the Council to look at costs and stated that they do have a fixed cost on the car that Eloise is using now in her job. He said that he does not know if this project is going to exceed that cost if gasoline. In light of Mr. Moulthrop's comment that there is not way of measuring, Mr. LeTourneau asked, "How do you measure it?" Mr. Moulthrop said that initially that is true but that by the end of the year, they will have a method in place where a swipe of a charge card will account for the amount of fuel used. Mr. LeTourneau asked what is the comfort level between now and the first of the year that we won't get an exorbitant fuel cost. Mr. Moulthrop said that he does not have hard facts and figures but than Eloise has indicated that she drives approximately 230 miles per month, so at 230 miles use per month, the vehicle itself has a range of approximately 420 miles according to west coast testing of that vehicle. If she fuels the vehicle when half of the fuel has been depleted, initially the charge to her will be \$20 (twenty dollars). He said that he thinks that would be under the cost per mile of a typical vehicle. He said that he would be happy to spell this out in a memo to the Town Attorney. Mr. LeTourneau addressed the Town Attorney and asked if in the agreement the Council could have some language covering this, a layer of protection for the town since it is the town's money being expended for the fuel, a comparison of gasoline per gallon to per kilogram of hydrogen.

Attorney Small said that we will have the option to give the car back. She said that the equivalency of this vehicle is 63 miles per gallon. Mr. Moulthrop said that is correct. Attorney Small said if you put that into the factor and it is going to cost \$20 initially and that we can watch by keeping track of the mileage. Mr. LeTourneau pointed out that if we are paying \$2 per gallon of gas or \$20 per gallon it kind of washes out. Attorney Small said that we can address that and if it doesn't work out, we can give the vehicle back. Mr. LeTourenau said he wants to see a level of safety. Mr. Moulthrop stated that the way research happens is that you don't know the answers until you do the test, and that part of this experiment is to learn what SunHydro/Proton's costs will be. He stated to the Council that from his management that they would make sure that the town does not incur costs for fuel beyond what the town would normally expect. Mr. LeTourneau seemed happy with this arrangement.

Mr. Farrell stated that asked questions before and when Mr. Moulthrop began to go down the road of needing to talk with the weights and measures authority in the State of Connecticut, that he realized that he has a bit of a conflict and that he is not going to ask any more questions or participate in this discussion as he is the Weights and Measures Authority for the State of Connecticut. He said that he guesses that he is the person that those discussions will occur.

Mr. Fishbein asked the Mayor if Eloise Hazelwood currently has a car. Mayor Dickinson said that she uses a fleet vehicle assigned to the department and that sometimes she uses her own vehicle. Mr. Fishbein wanted to know if the cost savings have been calculated and that he understands that Toyota is insuring the vehicle for the town. Mayor Dickinson said that fleet vehicles are covered in a blanket policy and that possible they could charge more if they had to provide coverage for a vehicle of this type without a lot of history with regard to its performance. He said that it is hard to calculate what the savings would be.

Mrs. Rascati wanted to know if there is any liability to the town. Attorney Small stated that the Risk Manager has reviewed this and is satisfied that the insurance is all taken care of on this. In responding to Mrs. Rascati's concern with regard to an accident in this hydrogen vehicle, Attorney Small said that insurance companies will argue as to which policy is primary.

Chairman Parisi thanked Mr. Moulthrop for the presentation. Mr. Moulthrop commented that they are delighted with the opportunity. He said that he has a hard time hiding his enthusiasm for this and it is the fruition of a 32 year dream and his career. He reported that he has been working in this area for that long and to see this type of green technology come to fruition. He stated that he is still astounded even though he works with it every day. He thanked the Council.

Mr. Farrell made a motion to adjourn. Mrs. Rascati seconded. All Councilors present (9) voiced Aye. The motion passed.

Respectfully submitted,

Sandra R. Weekes
Town Council Secretary
Meeting digitally recorded

Robert F. Parisi, Town Council Chairman

Date

Barbara Thompson, Town Clerk

Date

Wallingford Town Hall, 45 South Main Street