

**MINUTES OF THE  
HVCEO  
MEETING OF MARCH 8,1999  
AT BROOKFIELD, CT TOWN HALL**

**MEMBERS IN ATTENDANCE**

Brookfield. . . . . First Selectman Bonnie Smith  
New Fairfield. . . . . First Selectman Patricia Gay  
New Milford. . . . . Mayor Arthur Peitler  
Sherman. . . . . First Selectman Donna Tuck

**OTHERS IN ATTENDANCE**

State Representatives Jeanne Garvey and Mary Ann Carson, Sherman Selectman Mike Crawford, Cheryl Reedy of Congressman Maloney's office, Attorneys Ted Backer and Dan Casagrande of Pinney, Payne et al representing Danbury and New Fairfield, Jon Chesto of the News Times, from the Candlewood Lake Authority Bruce Lockhart, Harold Mayer and Larry Marsicano.

Also, Lynn Waller of Danbury, Attorney Mike Cronin of the CT House of Representatives staff, Fred Benedikt of Southbury, Elaine LaBella of the Housatonic Valley Association, Jim Perkins of New Milford, Jonathan Chew and Camille Acquanita of the HVCEO staff.

**CALL TO ORDER AND PUBLIC COMMENT** The meeting was called to order at 9:30 A.M. Public comment was received from Fred Benedikt and Harold Mayer.

**DISCUSSION ON CANDLEWOOD LAKE  
SALE AND CONSERVATION EASEMENT**

Attorneys Ted Backer and Dan Casagrande of Pinney, Payne were asked to present their analysis of the draft conservation restriction text as received from hydro project auction agent J. P. Morgan, Inc., this action as a follow up to the HVCEO meeting with these parties on 2/26/1999.

They distributed their memo dated 3/5/1999 that outlined the many serious deficiencies of the proposed conservation restriction. Their overall review was strongly negative, the agreement appearing vague and unfairly skewed in CL&P's favor. These same comments had been given by them to J. P. Morgan via a conference call on 3/5/1999.

Discussion then followed with members also reacting negatively to the copies they had each reviewed. They were unanimous in the comment that this was a spurious document, drafted as a placeholder for the municipalities, but upon examination reflecting no interest in offering a meaningful conservation easement.

All agreed under these circumstances they could not give serious consideration to signing the J. P. Morgan draft agreement, as it offers no benefits and is one sided.

Discussion continued. Members felt that the J. P. Morgan draft did not reflect the broad charge to the DPUC that it balance maximizing profit from the sale with public benefit and environmental protection. Attorney Backer stated that it appears that either J. P. Morgan is unfamiliar with this balancing role or is not being directed towards it by its employer, the DPUC. The offering of a meaningful conservation easement is not a "favor" to this area but at this point a requirement under the deregulation process, he said.

He cited the conclusion in the 1/8/1999 DPUC decision on Docket 98-10-08, the CL&P Divestiture Plan, which is that DPUC is required to minimize negative environmental impacts as CL&P assets are divested and auctioned. It was noted that page 8 of the decision requires DPUC to balance one section of the deregulation act, calling for CL&P's nonnuclear units to be divested at auction, with

another section of the act, containing public policy provisions for minimizing environmental impacts, protection of public health and safety, etc. This balance is not evident within the J. P. Morgan draft conservation easement.

The one aspect of the J.P. Morgan draft conservation easement that Attorneys Casagrande and Backer saw as usable was the proposal for a "joint process and committee" for ongoing management of Lake issues. This will be useful in maintaining continuous relations with the future Lake owner, they said.

It was agreed that the negotiations had essentially failed at this point. The four chief elected officials present authorized Attorneys Casagrande and Backer to convey their comments to J.P. Morgan and DPUC, and to request that the draft easement revert back to a modified version of that first presented by Attorneys Casagrande and Backer to CL&P in January. Additional activities are to be as follows:

**COMPLAINT TO GOVERNOR ROWLAND.** A letter will be drafted for the 5 chief elected officials to Governor Rowland, requesting that DPUC be directed to stop excluding the public interest in the balance of costs and benefits as Candlewood Lake is sold. First Selectman Bonnie Smith will take the lead in setting up a meeting in this regard. Lieutenant Governor Jodi Rell of Brookfield is to be briefed. State Representative Jeanne Garvey will initiate a similar letter from area legislators.

**CONGRESSIONAL OFFICE TO ASSIST WITH LOBBYING FERC.** It was noted that both CL&P and J.P. Morgan were actively conveying their views to FERC. Cheryl Reedy of Congressman Maloney's office stated that the Congressman will assist with contacting FERC staff. She will request that FERC staff visit our area for a top level conference with area elected officials so that the public interest side of the Candlewood Lake sale can be expressed.

**INJUNCTIVE RELIEF.** Obtaining injunctive relief will be investigated. The first option is to simply document that the 1/8/1 999 DPUC decision is not being carried out as directed by the DPUC commissioners. The second is to wait for the auction process to be complete and then raise strenuous objections via our intervenor status at DPUC, as DPUC considers approval of the proposed sale. The decision as to this course of action will be made after the meeting with the Governor.

It was also agreed that the municipalities and HVCEO will immediately seek intervenor status with FERC for the imminent Housatonic Hydroproject relicensing. Elaine LaBella of HVA added that it will be important to comment upon the "draft of the draft" relicensing application to be released by CL&P this month. J. Chew will determine the status of that release. Attorney Casagrande will provide correct wording for model municipal letters requesting FERC intervenor status.

Discussion was then held on the draft purchase and sale agreement for beaches received from J. P. Morgan. Sherman joined Brookfield in opting out of this process. Problems with this draft were outlined by Attorneys Backer and Casagrande.

CT DEP will be invited to future meetings as state park property and state boat launch sites are affected, also to offer general guidance.

It was agreed that discussions will continue on this topic with J.P. Morgan, DPUC and CL&P representatives as scheduled on Friday, March 12, 1999. Members expressed their willingness to still cooperate and avoid a confrontational approach if the public interest could now be introduced as a balancing factor in the proposed conservation easement.

#### **CANDLEWOOD LAKE AUTHORITY BUDGET**

After a brief recess members heard a presentation from Candlewood Lake Authority members and staff regarding a requested budget increase by municipalities for that agency.

#### **ADJOURNMENT**

The meeting was adjourned at 11:45 A.M.