

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes
December 16, 2014

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| Present: | Mary Burgess Maria Borges-Lopez Mary Geake Mary Mann Cèsar Ramirez David Westmoreland Martha Wooten-Dumas | Chairperson Vice Chairperson |
| Absent: | None | |
| Also Present: | John M. Hiscock Lisa Roland Frank Zullo, Esq. | General Manager District Clerk Tierney, Zullo, Flaherty & Murphy |
| Public Present: | None | |

Call To Order:

Commissioner Burgess called the Regular Meeting of The Second Taxing District Commissioners to order at 7:05 p.m. on Tuesday, December 16, 2014. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Commissioner Burgess: "I will call the Regular Meeting of the Second Taxing District Commissioners to order Tuesday, December 16th at 7:05 p.m. And I ask for a motion for acceptances of the minutes of November 12th, November 18th and the Annual Meeting of November 18th."

1. Acceptance of the Minutes

Commissioner Westmoreland: "So moved."

Commissioner Borges-Lopez: "I Second."

Commissioner Burgess: "Are there any corrections?"

Commissioner Westmoreland: "I have one change. I need to find it again. On the Special Meeting Minutes of November 18th, page 16 of 19, about three-quarters the way down the page it says 'Commissioner Westmoreland: Right that would aviate the need for having to have the employees start contributing towards the actual premium themselves.' I said obviate, not aviate. That's o-b-v-i-a-t-e. That's it."

Commissioner Burgess: "Any other corrections? All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed, abstentions? "Alright, now there is something you want to add to the agenda correct?"

John Hiscock: "Yes madam Chairman, could we add Ryan Park to the Regular Agenda? Legal counsel is here after last night's meeting and we would like to discuss some issues with respect to the land, the legal issue, the relationships, so I would also request that you do it in Executive Session and it takes two-thirds of a vote to put it on the Agenda."

Commissioner Burgess: "So you need a motion to add it to the agenda."

Commissioner Mann: "I make a motion."

Commissioner Westmoreland: "Second."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed? Abstentions?" Ok.

Executive Session – 7:06 p.m.

Return from Executive Session 8:10 p.m.

Consent Agenda

2. Approve the 2015 DC Monthly Meeting Schedule

3. Approve the 2015 SNEW Holiday Schedule

Commissioner Burgess: "Ok, we are out of Executive Session and there is no action to be taken as a result of the Executive Session. Ok, can I have a motion to approve the Consent Agenda?"

John Hiscock: "Well, you have the Consent Agenda before you, the two normal schedules. It is there."

Commissioner Westmoreland: "I make a motion to accept the Consent Agenda."

Commissioner Geake: "Second."

Commissioner Burgess: "Commissioner Geake you were raising your hand?"

Commissioner Geake: "I seconded it."

Commissioner Burgess: "Oh, ok thank you."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed? Abstentions? Alright the Regular Agenda."

4. Library Board Vacancy

John Hiscock: "Item 4 is the Library Board vacancy. I think it was pretty clear in your booklet about the situation. Commissioner Mann's term is expiring in about two weeks or so and we need to give the Library Board the name of the individual who is going to represent the District between January 1, 2015 and December 31, 2017."

Commissioner Burgess: "Mary, would you be willing to continue?"

Commissioner Mann: "Yes, I would be willing to continue but if anyone else has the interest. I have been on the board for over 12 years. I would be more than willing to relinquish my seat if anyone else is interested in doing it."

Commissioner Burgess: "Wishful thinking Mary. Well, I will make a motion to appoint Mary Mann as representative to the Norwalk Library Board. Is there a second?"

John Hiscock: "Can you speak up a bit?"

Commissioner Burgess: "Oh, ok. I will make a motion to re-appoint Mary Mann as our representative to the Norwalk Library Board."

Commissioner Geake: "I will second it."

Commissioner Burgess: "Any discussion?"

Commissioner Westmoreland: "I think we should review in detail her performance over the last several years."

[Laughter]

Commissioner Mann: "I think they may be willing to pull me off."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed? Abstentions? Ok next."

5. Salary, Benefits and Employee Manual Report

John Hiscock: “Item 5 on the agenda is obviously behind tab 5. This information is being provided to you with a recommendation. We do this every December and/or January depending on the amount of items on the agenda and the available information. As you can see, when you read through the document, it’s almost identical to the document of the prior year. The only difference was that the CPI-U and the CPI-W increased slightly from the prior year. It was 1.0 and 1.2 in the prior year and the prior year you raised salaries by 1%. This year as you can see the CPI is 1.23 or 1.33 depending on whether it is the W or the U and I made a recommendation to you that if you are willing to increase the wage structure by the CPI, that you raise it by 1.5%. There are no other recommendations in this document. I did not feel it would be appropriate for me to make changes to employee manuals, organizational charts or any other items since I am clearly retiring and it is not in good form to stick new management with old management’s ideas other than I felt and I will tell you exactly why I made this recommendation, I felt it would be difficult for new management to come in, walk into the Commission and endorse a change in salary without having the opportunity to either understand or deal with it. On the other hand, I also felt that the employees, who have been consistently, I won’t say overjoyed with but not disgruntled by getting a change in the salary structure matching the CPI. I do also know that there were also a lot of comments about what you did with respect to the insurance a month ago and I think the employees were happy. They thought it might be a more difficult situation for them and they were surprised that the Commission and maybe surprised is a bad term, they were happy that the Commission did what they did and there were no disgruntled comments from anyone about it. So, taking that into account, I am kind of saying that matching the CPI as you have done for years would, in my opinion, be appropriate under the circumstances because if you don’t do it now, it’s going to be quite some time from now before a new manager is going to walk in to this Commission and say I have done this, I have studied this, I have looked at this and I think something should be done. It is simply not easy to bring a new manager in and the first thing he does is deal with it and on the other hand the employees have been used to a change on an annual basis, similar like a city contract where they negotiate it out. The economy is improving but...”

Commissioner Ramirez: “I think this is fair enough.”

John Hiscock: “Yes, the economy is clearly improving. It is clearly getting better. You can either change my recommendation, obviously it is your choice or see what the CPI does next year or see what new management thinks is appropriate in discussions with this Commission.”

Commissioner Borges-Lopez: “So I make a motion to increase 1.5% for Grade 1 to Grade 15 effective December 1, 2014.”

Commissioner Ramirez: “I second the motion.”

Commissioner Burgess: “Any discussion?”

Commissioner Westmoreland: “Yes, through the chair. John, the 1.5 I am just looking at these sheets, the Bureau of Labor Statistics and I see 1.3. I mean I realize it’s like a tenth of a point. Where are you coming up with 1.5?”

John Hiscock: “I am coming up with 1.5 because I am rounding it up.”

Commissioner Westmoreland: “You are just rounding it up.”

John Hiscock: “I rounded it down last year.”

Commissioner Westmoreland: “Ok, that is fine.”

John Hiscock: “One was 1.0 and the other was 1.2 last year. I recommended 1. It is kind of like up or down, one or the other.”

Commissioner Ramirez: “It makes it easy for everyone.”

John Hiscock: “You certainly have the option of doing anything, this calculation is relatively easy.”

Commissioner Westmoreland: “I was just curious.”

Commissioner Ramirez: “I think it is fair enough.”

Commissioner Westmoreland: “It’s not much.”

Commissioner Ramirez: “Every place you go you see the employees are always working. I haven’t seen anyone yet sweeping the floor or perhaps making jokes or flipping cookies, I mean every time I go anywhere, these people are working, either inside or outside. So, I am very proud of the group of staff that we have.”

Commissioner Burgess: “Is everyone ready to vote on the motion? All in favor?”

Commissioners [Except Commissioner Mann]: “Aye.”

Commissioner Burgess: “Opposed? Abstentions?”

Commissioner Mann: “One abstention.”

Commissioner Burgess: “Ok. Purchase Power Adjustment.”

6. Purchase Power Adjustment

John Hiscock: “Ok, I think I am going to start off and say that I am assuming we have all dealt with the purchase power adjustment previously. Martha have you been on the Commissioner when we talk about purchase power adjustment?”

Commissioner Wooten-Dumas: "I don't believe so."

John Hiscock: "Last time we did it was about a year ago. Well, anyway I will give a brief recap. I don't want to go through the whole concept, but purchase power adjustment is in our rate structure and it's the mechanism that we use to change our per kilowatt hour price to match the wholesale price to us for the kilowatt hour of power. In other words, it allows us to pass it through. Because the cost of power goes up or down depending on what month we are in, we have another item called a rate stabilization fund and when power is cheaper than the amount that we charge our customers, money goes into the rate stabilization fund and when power is more expensive than what we charge our customers money comes out of the rate stabilization fund. So, there are two charts in the book. These two long charts, one we will start off has a yellow band across the middle of it and it has red numbers at the top and what it is, is the balance in the rate stabilization fund starting in October, 2004 when it was established and it shows how much money was in this fund. The rate stabilization fund, although it is held at CMEEC, is our money. It is on our books; it's our cash. And you can see it goes up and down. It was highly negative at one point in time and we made some adjustments and over the years talked about adjustments to this particular fund. The yellow band is the probable balance in the rate stabilization fund based on CMEEC's adopted budget. As you can see, and the last firm number is September of 2014 is \$1.282385 million. That is an actual number. Everything else is an estimate based on the CMEEC budget if we do not change our rate to our customers. As you can see, it is going to build money. We are currently charging our customers 9.66 cents per kilowatt hour. CL&P was at 9.99 cents per kilowatt hour previously. Because of fluctuations in the electric marketplace and because of the gas shortage that we talked about, the gas shortage is again driving up the marketplace even though a gas transportation shortage is not gas, its transportation for New England has driven up prices and based on recent pricing, I have asked Mark Harris to talk to CMEEC about, Mark Harris is our financial analyst, what CMEEC sees even though we adopted the yellow budget, what they see going forward based on the current marketplace. That is the orange band on the next page. As you can see, if we do not change our rate, we will be in a position that we will have about \$500,000 in the rate stabilization fund. That is a comfortable position to be in and that runs out through December, 2015. At any point in time under the structure, you have the ability to change the rate stable...I am sorry the PPA to change the per kilowatt hour. Based on us looking at the orange band, which we believe is the worst probable case, assuming the market stays the way it is and the yellow being optimistic. However, the yellow being in a situation where we are building money in the rate stabilization fund, you could conceivably in six months make a change and lower the rate. I am not suggesting that we do that now. What I am suggesting now is that we maintain the current price per kilowatt hour to the customer, which becomes as I previously indicated, the 0.966 number. So that is 9.66 cents per kilowatt hour. Yes, it is warm in here, I am sorry about the space heaters. We can turn them off. The thermostat does not work in here."

Commissioner Borges-Lopez: "The door was closed."

John Hiscock: "You opened the door?"

Commissioner Borges-Lopez: "Yes."

John Hiscock: "Ok, that is fine. I should have left it open anyway, we are in regular session. So I am suggesting that we leave the price the same. The good news to that is that CL&P on January 1, 2015 is charging 12.5 cents per kilowatt hour."

Commissioner Westmoreland: "What is that going from, what are they charging now?"

John Hiscock: "9.99 cents and we are charging 9.96 cents. That will give us a large separation from CL&P. And the reason we can do that is that CL&P for their standard service is required to go out for power every six months for a block of power and they get caught in this situation. They get caught in a bad marketplace and it is not their fault. It is the regulator's fault. It is the regulator's fault for making them do it this way. So, they go out for a block of power, it is a bad time in the marketplace, they get their price and it becomes their standard service. Now, the other issue is third party suppliers have been looking at the information that we are looking at CMEEC and there are still people that are willing to provide power in the 10, 10½, 11 cent range, significantly below CL&P's standard offer. So, while we look real good compared to CL&P, we will still look good compared to the other third party suppliers. We will be on the very low end, if not one of the lowest. So I am making the recommendation that we don't change the PPA, we don't change the rate and I believe the information shows that we are in a comfortable position."

Commissioner Westmoreland: "And John this is considered a pass through so it is not a rate change?"

John Hiscock: "This is not a rate change. The rate tariff that we recently adopted and the prior one had a PPA in it, which clearly defines it will be set at a price pass through. So this is good news. I can tell you that some of this is related to the recent work with CMEEC bidding in the Massachusetts Municipal Marketplace designing for some municipalities in Massachusetts what we call a managed portfolio and to manage their portfolio, and they take the risk, to manage the portfolio, we in essence charge them a certain number of dollars per megawatt hour. It's this low because of what we call margin and profit at CMEEC that is getting applied to our cost of power. So, it's really a new endeavor for CMEEC and that has lowered our prices. It is a good situation. Unfortunately for us that everybody is now paying attention of the fact that we at CMEEC are doing managed portfolios and now other people are starting to do this, so now there is competition setting in. We were making a lot of money for a while. Like any place when money is being made, there is competition that shows up. So, we won't be making those big margins in 16, 17, 18, those years. But for now, it has helped us. Any questions about the issue of the recommendation?"

Commissioner Westmoreland: "Is there anything on the horizon or any reason why we should think about raising it so we could build up a really large fund balance, rate stabilization fund balance? Just to prepare for the future."

John Hiscock: "We have a pretty solid fund balance. You have seen the audit recently. And remember not only do we have this rate stabilization fund, but we still have the competitive municipal trust which is useable for rate stabilization, we have a couple of million dollars in that and that does not show directly in our books. It is only a footnote in the notes section. So I think we are in a very strong position. I don't think that in my opinion, and obviously somebody else will be talking to you about recommendations going forward, with the new substation and the distribution work that we have been doing and I will talk to you a little bit about that later on another item, we are pretty strong and we don't have a whole lot of things to do in the electric system and most of the things we are going to do in the electric system going further are actually going to be positive cash flows. We have freed up a lot of land, a lot of facility, so we don't need money to spend on new facilities and we might have some positives. Other than the switches that we are replacing in the distribution system, everything is pretty much done with conversion. You know there are poles, there are routine things. There are no big numbers coming up going forward. The only possibility of a large dollar, one shot expenditure is for the potential 95/7 project, which is about 3 years off even if it happens. And the other issue is we have \$1.2 million in the economic development fund that could put the additional feeder all the way up to that project. We have two feeders there now. A project that size probably needs a third feeder. The conduit runs are in place, we have the blank conduit runs to get all the way up that project. It would simply be the cable and the economic development fund in itself would more than cover the cable to get to the site. So, I don't really see big numbers going forward."

Commissioner Ramirez: "Plus eventually the customers will be paying back for whatever money we spend there anyway."

John Hiscock: "The customers pay one way or the other."

Commissioner Ramirez: "Yes, so."

John Hiscock: "That is certainly the business we are in."

Commissioner Ramirez: "It will recover."

John Hiscock: "We are in the pass through business unfortunately. We are a cooperative and that is really what we are."

Commissioner Ramirez: "Alright, what is next?"

Commissioner Burgess: "Do we need a motion on it?"

Commissioner Westmoreland: "Do we need a motion John if we are leaving it the same?"

John Hiscock: "No, you are leaving it the same, so you can simply either motion to support no change or you can simply no motion and leave it the way it is. The only thing that is required is if you change it, you would have to take an action."

Commissioner Ramirez: "Leave it the way it is for the time being."

John Hiscock: "Yes, exactly."

7. Auditor Request for Proposal and Services – Update

Commissioner Ramirez: "Item 7."

John Hiscock: "Ok, item 7, Auditor Request for Proposal and Services Update. It just a proposal and services update and I should have put a hyphen there, I didn't. Alright in 7 it is a draft of the RFP that should be used at the very beginning of January for auditing services for the current fiscal year that we are in. Lisa has modified and I have looked at the document and it is in draft form and it is in draft form because it is in this book. And it isn't finalized yet but it is a pretty final draft and it's a document that we will use to get proposals. Lisa has worked on a list, based on all of the other munis in the general Fairfield County area, a list of auditors to send it to, people who do municipal auditing. And we are putting it out to bid right at the first of the year, the District is putting out the bid at the first of the year and proposals will be due on January 30th for the Commission to review in February. The decision is made by the Commissioners as late as the March Commission meeting, with ratification by the electors at the March Annual Meeting. That is the process. So, it is all prepared to go. There is a statement in there that we are not accepting proposals from the current auditors based on the motion that was made by the Commission that the resolution passed by the Commission that it was time to change auditors. And we think that it is appropriate to place it in here because generally everybody says, oh you have had the same auditors for 12 years, why should I waste my time putting in a decent proposal when in fact you are going to do the same old thing you have always done, because the existing auditor always has a cost advantage because he knows the job. So that statement is in there and it is all prepared to go forward."

Commissioner Ramirez: "The question I have, through the chair, is that this is for this year but the next following proposal this accounting firm that we have right now, can they also submit a proposal or will they be barred forever?"

John Hiscock: "They will be barred in this go round for submitting a proposal. You could requalify them at a later date. They are not barred forever."

Commissioner Ramirez: "Ok."

John Hiscock: "They are barred from this proposal because the Commission indicated by resolution that they would prefer an auditor change. We put a little statement in there that it has nothing to do with the quality of their work, it's merely that a change is appropriate. I put it in for informational purposes. I don't think any action is necessary. I just wanted to update the Commission that things are being prepared for that work."

Commissioner Ramirez: "Good job. It's a lot of work."

Lisa Roland: "Thank you."

Commissioner Burgess: "Item 8."

8. City of South Norwalk Minutes Pre-1913 Consolidation

John Hiscock: "Ok, this journal is the City of South Norwalk council minutes and business records from 1895 through 1899. It's not in the greatest shape. It's been in our possession obviously since consolidation in 1913 when this ended because the City of South Norwalk ended. It's an official, historical record. We have five, six or seven of these volumes from 1870 whatever when we became a city to 1913. Since 1965 they have been sitting in the vault at Water Street. The vault at Water Street is not climate controlled as good as it should be."

Commissioner Westmoreland: "What floor is it on?"

Commissioner Geake: "First floor."

John Hiscock: "First floor. There is only one floor at Water Street. During Sandy we missed being flooded by that much. It is actually the second time I had seen that. The prior time it was that much and this time it was lapping to a point where at the doors the wave action got enough water under the doors that the carpets were wet. Not through the whole building but certain areas. Over the year, people have approached us about these documents and said it is not a good place to keep them and nobody has access to them and I don't know who has interest in them, but one of the ideas have been to either give it to the library if the library is capable of properly managing the documents or to some other museum or whatever. I only put two comments in it because I don't really know who would be interested, but before we went out and started soliciting people, I didn't want to do that without...I mean this is our property and our history, but I don't think we can take care of them properly. So, I am looking for suggestions and comments and saying maybe it's an idea to have somebody at least control the documents and have them in their possession."

Commissioner Westmoreland: "How many volumes are there like this?"

John Hiscock: "About seven."

Commissioner Westmoreland: "So just seven of those. It not like it's a room full."

John Hiscock: "Some of them are smaller than others. It is not a huge collection."

Lisa Roland: "Sherelle called me about them."

Commissioner Westmoreland: "Oh good."

John Hiscock: "Excuse me?"

Lisa Roland: "Sherelle called me about them."

John Hiscock: "Right, but she is not the only one who has been aware and yes she has called you I know that, but I can't commit. The Commission would have to commit."

Commissioner Westmoreland: "Well, two things. Number one when you are going to transfer public records like this, there is a Connecticut State Statute that says you have to give notice that you are actually doing it, believe it or not. I learned this and two..."

John Hiscock: "We could actually destroy them by the Statutes also, but I don't think that is appropriate."

Commissioner Westmoreland: "No, no. Two years ago the Historical Commission working with the city, closed the Norwalk Museum in South Norwalk and at the time we put a committee together, we did a very extensive review of both the museum collection and the archives that the city has and we found that the archives were distinctly separate from the museum collection other than just general background context. They didn't really relate specifically to the museum collection. Basically, we outsourced the management of the museum collection to the non-profit Norwalk Historical Society and we transferred all of the archives containing many documents similar to this, to the library where we created something called the Norwalk History Room. It's staffed six days a week now, at least four hours a day, one evening a week and on weekends and they are doing a really good job, largely with volunteers and one paid staff, actually they are cataloging and indexing everything that we have with the intent that all of that is going to go out online on the library catalog system on the internet so that researchers, when they are looking for something, know what holdings we have and information we have. I would posit that is the most appropriate place for it to go, it is all climate controlled. The only other thing though is that we should probably talk to Rick McQuaid, the Town Clerk. I don't understand...those really should have probably originally gone to the City of Norwalk and gone into the Town Clerk's office where the other records are. But, you know given the age of this and the historical nature, I think the library would be the most appropriate place. I have been...last week I was able to get a bunch of archives from Northrop Grumann that recently shut down and moved away and they gave us a bunch of their documents of their history while they were in Norwalk which we then placed in the library and I have placed a number of other things there. These are very appropriate and they have the training to handle the documents. They are actually scanning documents now."

John Hiscock: "I am afraid we are damaging them."

Commissioner Westmoreland: "Right. So, I would strongly recommend that they go to the library."

John Hiscock: "In your experience and I don't know if you have looked at this issue, do you still retain ownership of the document and just give them the authority or do you actually transfer the rights to them. I don't know?"

Commissioner Westmoreland: "In our case, everything that the Historical Commission oversees is owned by the City of Norwalk, everything that the Norwalk Public Library owns is owned by the City of Norwalk basically in terms of content. So, we weren't really transferring ownership, we were just moving it basically from one department to another. But, in general I don't believe that the library would accept or should accept anything where they do not have...then the City becomes the owner. When you don't do that you create a long term loan situation, which gets really murky as you go forward in talking about who owns what and people coming back and saying well, maybe that is really ours and we are going to threaten to take it back. It is just not, in the museum world, long term loans are just completely going away because it makes ownership too murky down the road. The Historical Commission did put a restriction on the library that anything that is in the archives they decide they want to dispose of, they have to get the Historical Commission's approval. So it might be that we could ask for something like that. If they decide that they want to dispose of these or give them away at a later date, they would have to come back and ask us or offer them back to us."

John Hiscock: "Or offer them back, I mean I don't know how the Commission feels about it, but I know I am just looking at this and it has been there for a very long time that nobody has touched, looked at. You know they get moved around every once in a while and..."

Commissioner Westmoreland: "Well a lot of it is because it is inaccessible and people don't know that it is available."

John Hiscock: "Right, absolutely."

Commissioner Westmoreland: "And we, through the City, we have created the history room where we are putting it out there and saying please come."

John Hiscock: "We did have someone quite a few years ago come in and ask permission to look, they were researching something, I don't know what they were researching, they sat in our conference room and went through it for a while and..."

Commissioner Westmoreland: "There is an average of about 30 researchers a month going to the History Room right now."

Commissioner Mann: "And I have spoken with members of the Library Board and expressed an interest in these documents being placed into the History Room because I think they are valuable documents and we need to make sure that they are preserved and they are all in favor of accepting that."

Commissioner Ramirez: "Plus it would be a good asset to the community. And it would be preserved much better. I agree with the same opinion that you have."

Commissioner Westmoreland: "The easier that we make our history available to researchers, the more important it becomes. The more easily accessible, people are more interested in it and they develop it more. It is really good for everyone."

Commissioner Ramirez: "There is a lot of history in there."

John Hiscock: "It is hard to read though."

Commissioner Ramirez: "Yeah?"

Commissioner Mann: "Really?"

John Hiscock: "The penmanship, the quality is there, you can read it if you are good at looking at that old..."

Commissioner Ramirez: "That is why they have all those loops, it a lot of little micro-scripts."

Commissioner Westmoreland: "Researchers do that. They are all like that."

John Hiscock: "And you can tell its different parties because there is different handwriting all the way through it. Whoever the clerk was at the time, it varies."

Commissioner Ramirez: "So, presumably you need a motion to approve this?"

John Hiscock: "If you want us to explore transferring them and come up with appropriate documentation to do it to the library, that is certainly fine and I think it would take a resolution to do that."

Commissioner Westmoreland: "Probably somebody else besides you or I should make the motion as a result of all of this."

Commissioner Mann: "Right."

Commissioner Ramirez: "I would like to...would you like me to place a motion for you? Well, based on the history that has been presented to us and the story that Commissioner Dave also presented to us, based on the history, I do believe this would be a great asset to our community, to our future and for the knowledge of children to know exactly what had happened in the past. I place a motion for it to be transferred to the library."

Commissioner Wooten-Dumas: "I second it."

Commissioner Ramirez: "Seven volumes or six or what?"

John Hiscock: "Well, whatever there are. Whatever is in the collection we will call it."

Commissioner Ramirez: "It is a lot of history for our great city."

Commissioner Burgess: "You will look into that?"

Lisa Roland: "Yes."

Commissioner Burgess: “Any discussion on it? I personally think it is a great idea.”

Commissioner Ramirez: “An excellent idea. A very nice dedication to our past history. You guys have done so much stuff.”

Commissioner Westmoreland: “The library has done an amazing job. I am just totally blown away by the work they have done.”

Commissioner Ramirez: “The historical association has really preserved a lot of elements of our city which otherwise would have been destroyed.”

Commissioner Westmoreland: “We are trying.”

Commissioner Burgess: “There is a motion on the floor. Is everyone ready to vote? All in favor?”

Commissioners Unanimously: “Aye.”

Commissioner Burgess: “Opposed? Abstentions? Ok. Item 9.”

9. Report on Substation/Voltage Conversion

John Hiscock: “The substation voltage conversion, I decided it would be an appropriate time to report back to the Commission. There are two documents attached to the back. One is an accounting by project and the other is a capitalization plan and I am not really asking for approval, I am simply saying this is the accounting treatment and this valuable information here at this point, estimating all of the things that need to be completed in the spring which includes the cleanup and landscaping of the substation site, some additional connections in various man holes around towns and the replacement of switches, we are at \$11,841,000 for the project. Originally we had \$12,500,000 authorized for the project. We were and I was going to come to you tonight and say that number is pretty good, pretty firm and we are all set. However, on Monday we attempted to do the final voltage conversion for the final leg on Water Street and we ran into a series of cable failures. We had customers out of service, we told them it was going to be a four hour conversion and we had customers who were out almost 24 hours. We brought in additional crews, we worked overnight, we used Sullivan Cable who has been working with us pulling cable for us in this project. But what we did last night and early this morning and everybody was back by 7 a.m. this morning other than a business called BeeHive Heat Treating. They didn’t come back on until about noon today. We had to change a transformer. In the process last night, in an attempt to get everybody back on as soon as possible, we pulled two new pieces of light duty cable. We call it two-strand. It’s a cable that we use for moving power around, off of the backbone and out into different areas. We pulled this cable in because it was fast, it was easy, making the attachments to this type of cable was quick so we were able to restore as fast as we could, or we did. The actual cable that needs to go into replacing the cable, because we believe it is going to continue to fault, we need to put what we call 500 mcm, which is the back

bone cable that we use throughout the underground distribution system. It's the heavy cable. It's capable of easily 5, 6 7 megawatt loading. The two stand can do nowhere near that. The section that we converted yesterday was well less than a half a megawatt. I asked for a quick estimate on replacing the old failed cable on Water Street with brand new 500 mcm and the appropriate connections and replacing each of the switches on Water Street and the estimate was slightly under \$300,000. So, it is going to put, and at this point I am saying it is part of the project, it is part of the conversion, so it is going to put us at about a little bit over \$12.1, \$12.2 million. We still have a comfortable cushion, but to try to simply replace sections as they fail is a tremendous inconvenience to our customers. Again, they are going to have to take outages as we pull new cable in anyway but they will be short. Everybody is on the 13.8, it is fully converted. But I am little concerned that once we get into heavy winter loading and really cold weather, we are going to put more stress on that system, so I am just indicating to you that I think it would be appropriate that we use more money out of this project and put that cable in. The reason it failed, so you understand the mechanism, at 4,160 volts to ground or between phases, that is the potential to go from one place to the other. We tripled the potential. So, it's like when you flip a switch and you get a spark and an arc, when you get to 4160, it is a fairly small ability to arc and it does what is called tracking down devices or it actually penetrates the cable wall. When you triple the potential, if you have a weak cable, it fails and that is essentially what happened to us. This is the only cable that has failed during conversion, so we did pretty good. I mentioned to you once before that we had some arrestors fail and we had some cut outs fail. This is the first cable run that we had a failure on in the entire project, so that is a good thing. There is one component left on the old substation, this office, the line garage and the lighting in the old substation. That will be changed by the end of the week, weather dependent. So we have a tiny, tiny load left on the old substation. So, I had hoped by today we would be totally done, it will be the end of the week. We are not going to dismantle anything. However, until we get the new cable pulled on Water Street because we do have the ability to go back. We have the dual voltage transformers there and we could go back to 4160."

Commissioner Westmoreland: "How long would that take?"

John Hiscock: "The cable pulling?"

Commissioner Westmoreland: "Yes."

John Hiscock: "Less than two weeks probably but it is Christmas time. The cable pulling we are going to use Sullivan for. They pulled all of the cable for us on the project and do the terminations, which means they put the elbows or the T's on the end. The switches being mounted on the wall will be done by our crew and the actual moving of the cables from one position to the other, we call them parking and moving and stacking, that will be done by our crews. Sullivan Cable has better equipment than we have for pulling large diameter cable."

Commissioner Westmoreland: "So all of that will be done in a couple of weeks, including our stuff?"

John Hiscock: "I would say the middle of January, the new cable should be in place with all of the terminations and connections. The other thing that we are doing and it is seamless to the customers, they won't see it. We are running off of four conductors now down Martin Luther King, we have all of the other conductors in Ely Avenue and it is simply a matter of again, stacking, unstacking, putting the T's and the elbows in one position to the other in the vault. So, that will also be occurring simultaneously to balance the load out. We don't want to be in a full winter load and only be on four conductors. So, within that same timeframe we will have all eight conductors used and they have already been tested. They are all brand new and have all be proved out. So that is my update on the substation; that is where we are. Things are looking good."

Commissioner Ramirez: "Great, thank you."

Commissioner Westmoreland: "May I just ask two quick questions on service issues? There was an outage you sent us an email about in South Norwalk that I believe may have affected all of the restaurants on Washington Street a couple of weeks ago on a Saturday night?"

John Hiscock: "Yes, we had what turned out to be a switch failure. We have in our distribution system a lot of switches. Switches are really good because they provide a lot of optionality and ability to restore customers. When you have a faulted cable, and our system is all grid...is in a network configuration, but we don't run it as a network. So, when a feeder goes out, we take everything other than the falter section and put it on to another feeder and usually that takes an hour or two or three at the very most, if you have enough switches. The switches we have in the system are Joslyn SF6 Switches, SF6 is an insulating non-conductive gas that is in the switch. We have a lot of switches in which the gas is no longer in the switch, it has leaked out over time. SF6 is a poisonous gas, so you have to be extraordinarily careful with it. Not to the point where good ventilation in the man holes when you work on them, won't solve that problem. It was an SF6 switch that failed in a man hole just off the edge of the west edge of the Haviland street parking deck sort of behind El Acapulco Restaurant on Washington Street and the old Chocopologie on South Main. Right in that corner. What happened was, we got a call and somebody went out there at 2 in the afternoon. The call was related to someone seeing smoke coming out of the man hole and when they got there, there was nothing. Everybody had power, everything looked normal. We weren't quite sure why and then I think at 7:30 that night the failure occurred. It took out the feeder. So it took out all of that particular feeder. Our crews showed up, isolated it so that most of the customers were back on and what unfortunately happened, as they looked at everything, everything looked fine, they had to pump the man hole out, we had to get Moran Environmental because we had a lot of grease in it, which we believe was cooking grease unfortunately. That is another ugly story. We believe that some inappropriate disposal was going into our man holes because they have grates over the ends for ventilation. We have had trouble in the past with this. But we can't pump oil out onto the ground, so we brought Moran Environmental in and they pumped the man hole out. In an attempt to restore, they then took good switches, put them back, reloaded the system and we had a series of pretty nasty ugly bangs and booms and a little bit of a flash and that is when the story got out that there was an explosion and a fire. Well, I wouldn't call them either an explosion

or a fire. It was noisy and a quick puff of flame and it was over. What happened then it was the total destruction of the switch at that point internally and it burned off conductors off the top of the switch at the elbows. Right now that switch has been taken out of service, they repaired the ends of the conductors and put new elbows on and took the switch out of service and bridged it across to the transformer. Everybody is back on, but there is one short leg that isn't there. So the continuity that I talked about operating switches and going from one place to another, we have customers on Washington Street and South Main Street that can be fed only from one direction. If we have another failure, that is going to be a problem. So, we looked at that section and we will be pulling in new conductors in that area. But that material will come out of inventory. That is not a big new cost. It is simply an inventory item. Our crew will do most of that. So that was the failure. We did have the south side of Washington Street and all of South Main Street off for a significant amount of time. They were able to re-energize the south east end of Washington Street and a good portion of South Main Street and then when they finalized it in the morning at about 7 a.m. everybody was back on. So we did have customers who were out for about 12 hours."

Commissioner Westmoreland: "So they like lost all of their business on Saturday night?"

John Hiscock: "Excuse me?"

Commissioner Westmoreland: "They lost their business on Saturday night, the restaurants."

John Hiscock: "Yes, Saturday night business, well you know it is an interesting problem because the guys on the south side of the street lost their business and the guys on the north side of the street had a lot more business."

[Laughter]

John Hiscock: "Because all they did was cross the street. And that is unfortunate. It is not a good situation. We had a failure to replace and those are the switches over the next year or two, all will be replaced in the system. I think we have probably a half a dozen of them in stock right now. So, they have quite a few to replace. So, we are down to switch replacement at this point which is important."

Commissioner Ramirez: "If I heard you correctly, I might have missed something, you have an idea that someone is dropping grease from some of the businesses into our man holes?"

John Hiscock: "The oil that are in our transformers and there was a transformer in the hole, submersible stainless transformer, it is mineral oil. And when it is in the transformer it looks pretty clean, it is not very dirty looking. I was there during the pump out section and they pumped it out and I could see this really dark brown ugly grease coming out from under the transformer. However, the transformer was in good condition and the transformer held. There was no leakage into the transformer and gas switches have gas in them, they don't have oil in them. So, essentially it had to be somebody

putting it in the man hole. Can we prove it? No, there is nothing we can do about it. We didn't see it. We have had problems before. We had a lot of construction debris in a man hole on North Main Street."

Commissioner Ramirez: "Is there any way to prevent that?"

John Hiscock: "The vents are in the man hole to release the heat that is generated in the transformer and it is a large transformer. So, if we cover the vents over, the man hole is going to get very warm, it is not a good idea. So, they are generally vented."

Commissioner Geake: "Through the chair? Can you make a police report and let them be advised?"

John Hiscock: "We can. I haven't seen the report back from Moran Environmental because what happens with them, is they then take the truck full and they sample it and then they dispose of it once they know what it is, just to make sure it is not a hazardous oil. I have not seen the report on that. I have also not heard that there was any particular problem because usually if there is a problem, the environmental firm immediately says hey that oil had such and such in it. So I have no indication and yes that was the problem and it's not fully repaired at this point because we have one section of conductor to pull in."

Commissioner Westmoreland: "I also got a number of calls, it was a weekend, about Rowayton lost their water service?"

John Hiscock: "Oh yes. We had a large water main break on Pine Point Road. Most of Rowayton had no water or very low pressure until we shut off the leaking portion. When you have a strong distribution system and big pipes that are able to deliver a lot of water and that is part of our reinforcement loop that we put in during the 1970's because of a massive fire we had on Bell Island in 1972. When the pipe breaks open as this one did, wide open, until we get down and shut the valves, everybody is in that situation. It didn't take us long to restore."

Commissioner Westmoreland: "Did it just break because it was old? Did somebody hit it? I heard there was some construction going on."

John Hiscock: "There was construction going on, on Pine Point Road because the city had a sewer that failed and I am aware of that because I actually drove by the crew that was sitting there waiting for our crew to come out. The water was bubbling quite heavily out of the man hole. They thought it was city water. But they found out it was not and it was something to do with the sewage system and there is a pump sewer down there, Bell Island I believe has a pump station right in the middle of the park. So it was the force main. They did the repair. Our people initially thought that their repair caused our break because the water was coming out of the same excavation. However, our break was about 20 feet away. Now, whether the amount of water they were putting out undermined our main or not, you can't really prove any of that. That becomes an argument that is not worth arguing about. So we did the repair and was back in service."

Commissioner Westmoreland: “One of the questions I got which was a little bit of frustration and I am sorry to drag the meeting on, it’s really just about how we get information out when you call the numbers and they are busy. There is nothing on the website. Is there any way when we have these things. Because you really just want to know that we know about it and not even an idea of when it is going to be fixed, but at least when you call you know you got it.”

John Hiscock: “If you get through to the answering service, they know right away and they explain that it is a water main break and we are working on it and we give them an estimated time of repair. The problem is the phone systems get overwhelmed when you have a thousand people trying to call. It’s like CL&P or like anybody else, when you have that big of an outage, you can’t have a phone system that can handle that. The problem with the website is that somebody has to come in and put it up on the website. Usually by the time any of that can happen, we have already got it isolated, shut down and there are very few customers off. I mean I understand everybody’s desire for instantaneous communication but...”

Commissioner Ramirez: “We would have to have a 24 hour person working.”

John Hiscock: “There is field work that has to happen before what we know what is happening.”

Commissioner Westmoreland: “But isn’t there or couldn’t we probably invest in like an app or something that someone can just do on their iPhone and it automatically changes the front page of the website?”

John Hiscock: “We probably could. We probably could. But I do think that most of the time, by the time somebody isolates and does their repair; that is when they are now thinking about who is off, what is off. It could be done, there is no doubt about it. The website could be updated. Once we get down to the point where we got the major problem done and we have 100 customers off, that is when it is really useful and appropriate. Because in the beginning our crew doesn’t even know who does or doesn’t have water until they come in and start looking at all the charts and the information.”

Commissioner Westmoreland: “Well, I just told the people who I talked to that we were busy working on online bill pay and as soon as that was done we would look at this.”

[Laughter]

John Hiscock: “I know.”

Commissioner Westmoreland: “That seemed to work for the moment. I am just telling you...so...”

[Laughter]

John Hiscock: "Actually it actually is working, but not tested enough to go live."

Commissioner Westmoreland: "I am particularly sensitive these days to the out of District water customers. Especially the noisy ones from some of whom are wealthier outspoken places like Rowayton, who seemed to have caused us all the trouble last year."

[Laughter]

John Hiscock: "We have all kinds of customers and most of them are understanding and reasonable."

Commissioner Westmoreland: "I also reminded them that they were welcome to come speak their mind at our meetings and nobody ever comes."

John Hiscock: "And a lot of what I hear is that immediate frustration when they are trying to do something and they can't get it done and then they come out and when they are in the vicinity of the break and they see the crew working and sometimes in crappy conditions, all of a sudden they are like wow you guys are really good and all of a sudden it turns around and becomes ok. The people who don't see that, they have no idea."

Commissioner Westmoreland: "Well, I just call Mary because I know Mary is always on it because when I call the number it is busy."

Commissioner Geake: "I am usually one of the first people that will call. Sorry but I am."

John Hiscock: "That is ok. It doesn't bother me."

Commissioner Geake: "Because I know that when I can't see and the whole block is dark, I know it is affecting more than just me as a rule."

John Hiscock: "Certainly if you are aware of anything, send me an email."

Commissioner Geake: "Well yes, I have to."

John Hiscock: "Because unfortunately I was in a restaurant the night that the email came in. It was noisy and I didn't know I had the message. I didn't see it until two hours after I got it. And like when I just picked my phone up before that was my alarm system at home telling me that someone disarmed my alarm system because someone went into the house that is how instantaneous things can be."

Commissioner Geake: "Was it your wife?"

John Hiscock: "Yes, it was my spouse."

[Laughter]

Commissioner Westmoreland: "But that is what people are expecting from us."

Commissioner Mann: "Absolutely."

Commissioner Geake: "Yes, exactly."

John Hiscock: "I do think it is unrealistic to expect that because this is a discrete communication between one location and one person that everybody knows the chain of information. It is a little different when we are in the field and we have a major water main break because you don't know who is out. All you know is you have a lot of water coming out and you know you have low pressure and you know you have a lot of phone calls and you know you have the answering service there, but depending on which hill you are on, or which valley you are in you either have it or you don't. So, the initial outage is very hard to explain. The secondary outage, once you get it shut off, is easy to explain and at that point you can communicate appropriately. I know that doesn't solve what we want to solve because the customers expect instantaneous information."

Commissioner Westmoreland: "Well, you could just post major water main break in the Rowayton area, so then you know you don't have to keep calling about this."

John Hiscock: "And then somebody has to update it and do that."

Commissioner Westmoreland: "I understand, I understand."

John Hiscock: "We should have the capability of doing it remotely."

Commissioner Westmoreland: "I am done, sorry."

Commissioner Borges-Lopez: "A motion to adjourn?"

Commissioner Ramirez: "I pose a motion to adjourn."

Commissioner Geake: "I second it."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Adjournment

The meeting adjourned at 9:25 p.m.

Attest:

Lisa G. Roland
District Clerk