

**SECOND TAXING DISTRICT COMMISSIONERS**

Regular Meeting Minutes

April 18, 2017

Present:	David Westmoreland Maria Borges-Lopez Harold Bonnet Mary Geake Mary Mann Sandra Stokes Martha Wooten-Dumas	Chairperson Vice Chairperson
Absent:	None	
Also Present:	Paul Yatcho Kevin Barber Lisa Roland Kara Murphy, Esq. Rodney Marshall (Arrived 7:20 p.m.) Drew A. Rankin	General Manager Director of Finance & Services District Clerk Tierney, Zullo, Flaherty & Murphy Director of Electric Operations CEO, CMEEC
Public Present:	None	

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*The meeting was recorded in its entirety.*

**Call To Order:**

Commissioner Westmoreland called the Regular Meeting of The Second Taxing District to order at 7:04 p.m. on Tuesday, April 18, 2017. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

1. Acceptance of the Minutes:

1.1 Special Meeting Minutes of March 17, 2017

Commissioner Mann moved to accept. Commissioner Borges-Lopez seconded.

**Minutes were approved unanimously. (2017-04-18-1.1)**

1.2 Annual Budget of the Electors' Meeting Minutes of March 21, 2017

Commissioner Geake moved to accept. Commissioner Mann seconded.

**Minutes were approved unanimously. (2017-04-18-1.2)**

*Public Participation*

No Public was present.

**EXECUTIVE SESSION:**

Organizational Review  
Customer Account

It was decided to reverse the order of topics in order to accommodate Drew Rankin who had not yet arrived.

Commissioner Stokes moved to enter executive session to discuss a customer account. Commissioner Borges-Lopez seconded.

Motion carried, and executive session was entered at 7:05 p.m. with all the Commissioners, Paul Yatcko, Lisa Roland and Kara Murphy present.

Executive session discussing legal strategy for a customer account ended at 7:20 p.m. No action was taken. Kara Murphy left the meeting.

Drew Rankin arrived at 7:20 p.m.

Commissioner Geake moved to enter executive session to discuss the findings of the organizational review performed by CMEEC CEO, Drew Rankin. Commissioner Borges-Lopez seconded.

Motion carried, and the second half of executive session commenced at 7:21 pm to discuss organizational review. The Commissioners, Paul Yatcko, Lisa Roland and Drew Rankin were present.

Executive session discussing the organizational review ended at 8:20 p.m. The result of the discussion is that the Commission is taking no action. Drew Rankin left the meeting.

**CONSENT AGENDA:**

2. Electric Write-Offs – January 1, 2017 – March 31, 2017
3. Annual SoNo Banner – Funding Request

Commissioner Mann motioned to enter the consent agenda. Commissioner Borges-Lopez seconded.

Commissioner Geake asked for confirmation regarding the cost of the SoNo Banner and the remaining funds in the District's Miscellaneous Community Projects account for FYE 2016 – 2017. Paul Yatcko confirmed the cost of \$675, with a remaining balance (in the account) of \$325.

Commissioner Stokes asked if the District had provided this service in the past. Paul Yatcko replied in the affirmative.

**The electric write-offs were approved unanimously. (2017-04-18-2)**  
**Motion carried unanimously to provide the SoNo Banner.**

**(2017-04-18-3)**

**REGULAR AGENDA:**

4. Residential Solar Policy

Paul Yatchko explained that SNEW lacks a residential solar policy. While currently only a handful or two customers have installed photovoltaic equipment, others may also express an interest going forward and SNEW should have a policy in place.

Connecticut state statutes require the state's investor-owned utilities to offer customers compensation at the full retail price of electricity, a practice known as "net-metering." However, the state's municipal utilities are not required to implement net-metering, and SNEW's viewpoint is that the practice, as defined by the industry standard, is inconsistent with cost causation, system economics, and sound social policy.

SNEW's proposed residential solar policy would provide customers with compensation for their excess generation at a rate equal to the average cost of wholesale generation and would be consistent with policies implemented by other CT municipal electric utilities. A restriction would be placed on the sizing of the system (75% of anticipated peak demand), a SNEW owned 2-register meter would be installed, and customers would be credited (on a monthly basis) for any excess generation. Credits would be carried forward until the customer's consumption offsets the credits, or the end of the 12 month true-up period is reached. The true-up period would end March 30<sup>th</sup> of each year. At that time, the customer would be issued a check for any remaining excess.

Should the Commission approve the proposed policy, a Solar Rider will be drafted and presented at the next meeting to become part of the SNEW Tariff Schedule.

Commissioner Borges-Lopez moved to accept the policy as written. Commissioner Geake seconded. Commissioner Stokes abstained.

**The policy was approved with one abstention. (2017-04-18-4)**

5. Financial Statements – 3<sup>rd</sup> Quarter FY 2016 – 2017

Kevin Barber made the presentation.

District: For the third quarter of fiscal year (FY) 2017, the District had revenues of \$177 in interest versus the budgeted \$138, resulting in a positive variance of \$39. Year to Date (YTD) revenue was \$318 versus the budgeted \$413, resulting in a negative variance of \$95. Total operating expenses for the third quarter were \$25,509 versus the budgeted \$90,813, resulting in \$65,304 under budget because

street lighting expense has not been included, but rather will be allocated at the end of the year. (Going forward to next year, street lighting expense will be incorporated in the actuals on a quarterly basis to present a more accurate picture.) YTD expenses were \$133,990 versus the budgeted \$314,440, resulting in \$180,450 under budget (again misleading because street lighting expense has not yet been incorporated).

Water: For the third quarter of FY 2017, Water operating revenue was \$1.802 million versus the budgeted 1.759 million, resulting in \$44 thousand over budget (positive variance). YTD revenue was \$6.654 million versus the budgeted \$6.642 million, resulting in \$12 thousand over budget (positive variance). Total operating expenses for the quarter were \$2.443 million versus the budgeted \$2.350 million, resulting in \$93 thousand over budget (negative variance). YTD operating expenses were \$6.828 million versus the budgeted \$7.242 million, or \$414 thousand under budget (positive variance). Water's current net change in position, after the first nine months, is negative \$442 thousand.

Electric: For the third quarter of FY 2017, Electric operating revenue was \$4.049 million versus the budgeted \$4.682 million, or \$633 thousand under budget (negative variance), due mainly to a milder winter. YTD revenue was \$12.040 million versus the budgeted \$12.684 million, resulting in \$644 thousand under budget (negative variance). Total operating expenses for the third quarter were \$4.077 million versus the budgeted \$4.248 million, resulting in \$171 thousand under budget (positive variance), and \$11.530 million versus the budgeted \$12.504 million, or \$974 thousand under budget YTD. Electric's current net change in position, after the first nine months, is a positive \$249 thousand.

Commissioner Westmoreland asked what the line item 'gross revenue tax expense' referred to. Paul Yatcko replied that it is a state tax on the revenue associated with the distribution of electricity.

### **Adjournment**

Before Commissioner Westmoreland could ask for a motion to adjourn, Paul Yatcko introduced the new Director of Electric Operations, Rod Marshall, to the Commissioners. The Commissioners welcomed him. Rod Marshall thanked them for the opportunity.

Commissioner Geake moved to adjourn. Commissioner Borges-Lopez seconded.

*The meeting adjourned at 8:50 p.m.*

Attest:

Lisa G. Roland  
District Clerk