

**SECOND TAXING DISTRICT COMMISSIONERS**

Regular Meeting Minutes  
September 19, 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 Yatcko Lisa Roland Kara Murphy	General Manager District Clerk Tierney, Zullo, Flaherty & Murphy
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 7:00 p.m. on Tuesday, September 19, 2017. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

1. Acceptance of the Minutes:
  - 1.1 Regular Meeting Minutes of August 15, 2017

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

**Minutes were approved unanimously. (2017-09-19-1.1)**

*Public Participation*

No Public was present.

**REGULAR AGENDA**

1. An Act Concerning Municipal Electric Utility Cooperatives and Establishing a Municipal Electric Consumer Advocate / Public Act No. 17-73

Paul Yatcko and Attorney Kara Murphy presented background on why the Public Act was enacted, and the consequences it imposes on CMEEC and its member utilities, including the Second Taxing District. The theme of the statute is transparency in the operations of CMEEC.

South Norwalk Electric and Water has been a member of CMEEC, the organization from which SNEW purchases its wholesale power for redistribution to its customers, for over 30 years. Four years ago, the new CMEEC CEO revised the organization's governance structure during a grueling process taking over a year. As a result, a team building event in the form of a Board retreat was initiated in 2013. The retreat encompassed a trip to the Kentucky Derby. The retreat was repeated 2014 – 2016, becoming more and more lavish and costly each year, with a cost of approximately \$344,000 in 2016 for 12 board members and 32 guests including family members, sitting politicians, lobbyists and vendors. No one from SNEW has ever attended. The eastern Connecticut newspapers exposed the facts in October 2016. Monetary sanctions were recently brought against some CMEEC board members, and others were forced to resign. As a result of this scandal, Public Act No. 17-73 was passed in the Connecticut Legislature and imposes consequences upon CMEEC and its member utilities.

Because SNEW was the only member of CMEEC not to have partaken on the retreats, Kara Murphy, Frank Murphy and Paul Yatcko attempted to reduce the severity of state legislation upon SNEW by engaging in discussions with western Connecticut legislators. Unfortunately, due to an altercation between CMEEC CEO and eastern Connecticut legislators, western Connecticut legislators bowed out and discussions proved unsuccessful.

The resulting statute, Public Act 17-73, takes effect on October 1st and places heavy burdens on CMEEC, as well as on its members, of which SNEW is one (with an 8% interest).

The Act prohibits CMEEC from holding meetings, public hearings and strategic retreats outside Connecticut. CMEEC will post notices, agendas and minutes for meetings on their website. Member utilities (Second Taxing District, Third Taxing District, Groton Utilities, Bozrah Light & Power, Norwich Public Utilities, and Jewett City Department of Public Utilities) and member utilities' municipalities will also post CMEEC's notices, agendas, and minutes on their own websites. A forensic audit of CMEEC's books and accounts must be conducted for the preceding five years by an independent auditing firm. In addition to some other requirements, the law also requires the appointment of an additional board member, who is a commercial or residential rate payer, from each of the member utilities.

The newly appointed board member **must be a** residential or commercial **customer** of the participating utility, but **not an elected official** (Commissioner or other elected official), **nor employed by** 1) the member utility's governing body (SNEW), 2) the municipality (City of Norwalk) in which the utility operates, 3) the governing body of any other member utility (Third Taxing District of the City of Norwalk, Groton Utilities, Bozrah Light & Power, Norwich Public Utilities, Jewett City Department of Public Utilities), 4) the municipality in which any other member utility operates, or 5) CMEEC.

CMEEC conducts monthly meetings in Norwich, CT. The requirement to attend will be burdensome and require the appointed individual to spend most of one whole business day traveling to/from the meetings, and potentially losing a day's pay from their place of employment. Thus, travel reimbursement and compensation for attendance will be necessary. An alternative to physically attending may be to have the individual participate via phone or web conferencing, thereby minimizing the time burden.

Both Paul Yatcko and Kara Murphy requested the Commissioners to brainstorm a list of potential candidates meeting the restrictive criteria, as well as also possessing common sense and business and financial astuteness, and the capability to follow complex issues.

The Commissioners presented some other issues to work out such as the length of the commitment, how much compensation to give, how compensation funds would be allocated and accounted for in this year's budget and future budgets, and whether/how the individual would report back to the Commission. Logistics need to be worked out.

The requirement for CMEEC to conduct a forensic audit for the preceding five years will be a very costly venture of which the member utilities will bear their share (8% for SNEW) of the financial burden. Commissioner Westmoreland asked if SNEW could sue CMEEC to seek relief of this burden. Paul Yatcko and Kara Murphy replied that while we may be able to (details of contract and by-laws would need to be researched), it may not be worth the effort and cost.

Commissioner Westmoreland further asked whether SNEW had any other sources from which to purchase power. Paul Yatcko brought up that the costs, length of time, and legal issues associated with withdrawing from CMEEC would probably outweigh working through the requirements of this new law.

The last requirement of the statute is the establishment of a municipal electric consumer advocate – i.e. an attorney licensed in Connecticut, in good standing with the ethics board for attorneys, and with experience in the electric industry to act as a watch dog over CMEEC and to advocate for rate payers. CMEEC must pay up to \$70,000 for the costs related to this consumer advocate in the first year, and up to \$50,000 in subsequent years. This cost will trickle down to the member utilities. The tricky issue will be the lack of potential candidates to fill this role. The State Consumer Council is tasked with making the appointment.

In closing, Kara Murphy asked the Commissioners to come up with a list of potential candidates first, and then the list, as well as other issues, will be addressed (possibly during executive session if legally allowed) at the next regular meeting (October).

Attorney Kara Murphy left at 8:02 p.m.

2. Management Update

Paul Yatcko presented.

*OSHA Reportable Events*

Two OSHA reportable incidents occurred in the last month. A water department employee was in a trench cutting a pipe with a power saw. The blade caught in the pipe, pulling and wrenching his hand, resulting in a broken bone in the back of his hand. He has been released to work light duty but there isn't anything in that category to give him.

In another incident, two other water department employees were removing a power aerator from the back of a truck. The ramp was not appropriately secured and one of the employees fell, spraining his shoulder. The employee has since returned to work.

The common thread between these incidents is poor job planning, inadequate training, and poor supervision. Paul Yatcko is considering disciplinary action against the supervisors.

*Reservoir Level*

Reservoir status is at 61% of capacity, which is slightly lower than the ten and twenty eight year normal levels, but in relatively good shape especially as compared to this time last year (45%).

*Mall Project*

The Mall project is proceeding well. Conduit and man holes are being installed by the Mall's contractor on the north end of property. Once that is complete, SNEW's contractor can pull cable so as to eliminate the overhead lines on that side of the property. The lines are currently a construction interference.

Additionally Paul Yatcko is working with the engineering contractor, 3C Electrical, to finalize the cost estimates for the remainder of the project in preparation for a meeting with GGP next week.

*Organization*

The two open positions in the laboratory have been filled, and the position of Water Operations Manager is close to being filled. An Interim Director of Electrical Operations has been on board for three weeks. The search for a permanent Director continues.

**Adjournment**

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

*The meeting adjourned at 8:10 p.m.*

Attest:

Lisa G. Roland  
District Clerk