

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes
September 15, 2020

Present: David Westmoreland Chairperson
Maria Borges-Lopez Vice Chairperson
Harold Bonnet
Robert Burgess
Mary Mann
Sandra Stokes (joined at 7:25 pm)
Martha Wooten-Dumas

Absent: None

Also Present: Alan Huth Interim General Manager,
Director of Water Operations
Scott Murphy Director of Electric Operations
Eric Strom Director of Customer Care
Lisa Roland District Clerk
Kara Murphy, Esq. Tierney, Zullo, Flaherty & Murphy
Gwen Gonzalez Collections Specialist
Steve Sax Consultant

Public Present: none

The meeting was recorded in its entirety with the exception of Executive Session.

Call To Order:

Chairman Westmoreland called the Regular Meeting of The Second Taxing District of the City of Norwalk to order at 7:00 pm on Tuesday, September 15, 2020. The meeting was conducted via web conference call originating from a Fairfield County, Connecticut location.

Public Participation

No members of the public were present.

1. Acceptance of the Minutes:
 - 1.1 Regular Meeting Minutes of August 18, 2020.

Commissioner Borges-Lopez moved to accept the minutes. Commissioner Wooten-Dumas seconded. The minutes were approved unanimously.

REGULAR AGENDA

2. COVID-19 Emergency Leave

The FFCRA (Families First Coronavirus Response Act) is set to expire on December 31, 2020. Under FFCRA an employee can qualify for paid sick leave (up to 80 hours) for specified reasons related to COVID-19. Currently, some SNEW employees have used all of their FFCRA benefits and/or have not accumulated enough PTO time.

In an effort to further protect employees at SNEW, we are requesting the addition of a company-wide two week (80 hours) paid time COVID-19 related sick bank. Unlike traditional SNEW sick time, this emergency paid sick leave will not go toward accumulated paid time off and will expire at the end of the fiscal year on June 30, 2021.

The purpose of this sick bank is to encourage employees to stay home if they or household members may be experiencing symptoms or complications of COVID 19 or to allow time to get tested or quarantine for COVID 19 when they would otherwise be inclined to come to work. This bank would make employees feel comfortable taking this time without having to use their regular accumulated sick time or lack thereof. New employees often have very little accumulated sick time and other employees may have already used all their available sick time and/or FFCRA benefit time. This added employee benefit would essentially be an extension of these federal benefits.

The District Clerk read the proposed Resolution up for vote by the Commission:

Resolution Regarding Temporary Supplemental Emergency Paid Sick Leave Due to the COVID-19-Related Public Health Emergency

WHEREAS, on March 10, 2020, Governor Lamont declared a public health and civil preparedness emergency due to COVID-19;

WHEREAS, effective April 1, 2020, the Families First Coronavirus Relief Act (FFCRA) provided emergency paid sick leave and emergency paid FMLA under certain circumstances due to COVID-19;

WHEREAS, the benefits provided by the FFCRA terminate on December 31, 2020 unless extended by Congress; and

WHEREAS, the Second Taxing District and SNEW are essential businesses during the public health and civil preparedness emergency, which must ensure adequate staffing at all times.

NOW, THEREFORE, the District Commission herein authorizes the Interim General Manager to take the following actions to protect operations at the District and SNEW:

Resolved, that in the event an employee or direct family member has COVID -19 related symptoms, or has exhausted all available sick, personal, vacation and/or FFCRA benefits, the District and SNEW may extend an additional eighty (80) hours of COVID-19 related paid sick leave to ensure continued operations at SNEW;

Resolved, that the aforementioned temporary, supplemental paid sick leave will expire at the end of the fiscal year on June 30 , 2021 , unless extended, rescinded , and/or otherwise modified by the District Commission; and

Resolved, that this extension of COVID-19 temporary, supplemental paid sick leave is subject to negotiation of a Memorandum of Understanding with the IBEW.

Dated on this 15th day of September 2020 at Norwalk, Connecticut.

Lisa Roland
District Clerk

Commissioner Borges-Lopez moved to accept the Resolution. Commissioner Mann seconded. The Resolution was approved unanimously.

3. August Financials

The accounting staff completed monthly financial reports through August 31, 2020. Year to date fiscal year 2020-2021 net income statements for District, Water and Electric Funds were also provided.

As of August 31st, the District's (interest) revenue was \$0. Total operating expenses were \$37,724.

For the same time period, electric's total revenue was \$3,718,466 and total expenses were \$3,058,535, resulting in a net income of \$659,930.

For the same time period, water's total revenue was \$2,005,587 and total expenses were \$1,215,904, resulting in a net income of \$789,682.

Alan Huth clarified that some adjustments to the above numbers will be made in September. On the water side, correction of an \$118,000 overage in August metered residential sales due to the billing cycle being quarterly as opposed to financials being monthly, and a \$50,000 increase in unbilled water revenues due to the August approval. These will be adjusted downward in September. Adjustments on the electric side include \$304,000 of SoNo Mall revenue being recorded in the current year rather than the last fiscal year, and \$200,000 in revenue due to Storm Isaias mutual aid.

Chairman Westmoreland further clarified that these net income statements do not include fixed debt payments. Once the accounting department is up to speed, he would like to see pro-forma statements which include debt service and capital expenses, thus giving a better representation of the organization's finances and ensuring that constituents see the true financial picture.

4. Cell Phone Policy

SNEW relies heavily on cell phones in order to contact various employees and run day-to-day business activities. Historically SNEW has provided company issued cell phones. A number of employees have requested that SNEW adopt a cell phone policy to allow the use of personal phones for business activities as carrying around two cell phones is an inconvenience.

A cell phone policy between SNEW and an employee of SNEW offers the option of an employee receiving a stipend in lieu of a SNEW-issued mobile phone. SNEW would grant its employees the privilege of purchasing and using phones of their choice at work for their convenience. SNEW would reserve the right to revoke this privilege if users do not abide by the policies and procedures outlined in the policy agreement.

The agreement is intended to protect the security and integrity of SNEW's data and technology infrastructure. SNEW employees must agree to the terms and conditions set forth in this agreement in order to be able to connect their devices to the company network and to receive a stipend for a personal phone.

SNEW Payroll will include stipends in employees' paychecks as a taxable item. There would be no added cost to SNEW as the stipend would be based on the current cost to SNEW for an equivalent company issued device.

Because this would stand as a company policy, Commission approval is required.

Chairman Westmoreland asked to confirm his understanding of the tax implication to employees opting into the policy. The stipend would not be grossed up to cover the additional tax to the employee. The advantage would be the employee wouldn't have to carry two phones, but the down side would be the employee would experience more taxable income. Alan Huth confirmed, and expressed that the perk is still a win for the employee because s/he is already paying for their own phone regardless and the stipend would help to offset some of the cost.

Commissioner Borges-Lopez moved to approve the policy. Commissioner Wooten-Dumas seconded. The policy was approved unanimously.

5. Management Update

Alan Huth presented.

Reservoir Status and Demand Update:

Last week (9/7/20) reservoir levels were at 53.7%. First drought trigger is at 49%

through March 2021. As of yesterday, we hit 49.7% capacity. There are mandatory city-wide water restrictions in place and it is possible that additional water use restrictions are likely without significant rain. Both First and Second Taxing Districts are encouraging the City of Norwalk to adopt a permanent 2-day per week watering restriction ordinance regardless of water supply. These irrigation restrictions are already in place in many of the neighboring towns.

Fluoride Tanks:

New fluoride tanks are scheduled to arrive at the filtration plant tomorrow.

Safety:

It has been 419 days since the last reportable accident, and we've had no cases of COVID-19.

Water Main Breaks:

None.

Weather Outlook:

Several tropical disturbances not likely to affect SNEW territory. No significant precipitation forecasted.

Electric outages:

7/29 – 15 customers out at MLK and Bates Court due to animal contact;
7/31 – 16 customers out for 45 minutes due to tree contact;
8/3 – 4 customers out for 20 minutes to replace defective transformer;
8/3 – 43 customers out for 1 hour, 25 minutes due to tree contact;
8/8 – 17 customers out for 45 minutes due to tree contact;
8/10 – 1 customer out for 45 minutes due to defective transformer;
8/11 – 1 customer out for 30 minutes due to a blown fuse.

Water Quality:

Water quality remains high although higher than normal algae levels have occurred due to warmer temperatures and lower reservoir levels.

There have been a number of odor and taste complaints. The reservoirs have been treated with copper to combat the issue resulting in significant improvement. The water is safe to use.

COVID-19 Update:

We are following mandatory mask use in common areas, and self-quarantine

restrictions.

Accounts Receivable Update:

Since April 1st, 319 electric customers, for a total of \$44,000, and 544 water customers, for a total of \$251,000 have not paid their bills. We have 1712 delinquent electric accounts (18% of customers) for a total of \$1.5 million in receivables (10% of revenue). We have 1141 delinquent water accounts (12% of customers) for a total of \$450,000 in receivables (5% of revenue).

PURA is suspending the mandatory moratorium for residential customers on October 1st for non-hardship customers, and October 31st for hardship customers. Because winter moratorium for electric customers begins on November 1st, those customers that have applied for this program will be excluded from shutoffs. Based on our receivables, and the lifting of the PURA moratorium, SNEW proposes to implement the following schedule:

Water shut-offs –

- first disconnect notice, 10/18/20,
- second notice, 11/2/20, and
- disconnects for non-payment commencing on 11/17/20.

Electric shut-offs –

- first disconnect notice, 10/30/20,
- second notice, 11/14/20, and
- disconnects for non-payment commencing on 11/30.

Chairman Westmoreland asked if customers could call in to make payment arrangements. The response was yes, no one that calls to make an arrangement would be automatically shut-off.

Commissioner Stokes asked for understanding and flexibility with payment plans, but also acknowledged that affected customers need to communicate with SNEW in order to receive any consideration.

Director Eric Strom responded that all customers would receive a letter indicating that delinquent accounts would be subject to shut-off without a payment plan in place prior to the disconnect date. Disconnect notices would then follow the general letter. Mr. Strom encourages anyone needing assistance to call to find out the options available to them. Customer Service is more than willing to work with any customers needing payment assistance. However, delinquent account customers that don't call and don't pay will be shut-off. This is to protect the paying customers as well as the company. The initial letter will go out approximately mid-October (if not possibly sooner) and the first delinquency notice will follow about a week later.

Commissioner Stokes was satisfied with the clarification and agreed.

Streetlight Retrofit Request for Proposal (RFP):

The RFP was posted in the paper. Proposals are due back by September 29th. We expect to have replaced all of our overhead regular streetlights by December 2020.

Commissioner Wooten-Dumas was pleased with the progress.

Mr. Huth continued. We have also ordered sample ornamental fixtures which should be arriving soon. The linemen will set these up along State Street to facilitate a final selection.

Commissioner Stokes asked how constituents would know about the samples, and how would they express their preference. Mr. Huth explained that the choice would be made internally – the Commissioners and management would make a selection to present to the City of Norwalk for approval. Chairman Westmoreland further clarified that SNEW's recommendation would be taken forth to the Norwalk Redevelopment Agency for review and approval.

Commissioner Stokes asked for more information regarding the ornamental lighting in order to answer constituents' questions and concerns. Their biggest concern is how the changes may impact their daily lives. Chairman Westmoreland explained that one of the issues with the current ornamental fixtures is that the head throws off 360° of light whereas the fixtures we will be looking at are all "dark sky compliant" and only shines the light downward. Additionally, the intensity or brightness of the light will be diminished.

Commissioner Stokes also wanted to know how long the lights shine, do we have a duration, is there a specific time frame? Chairman Westmoreland answered lights come on dawn to dusk. We are going to have the lights up and give us time to make a selection. There is no time frame driving this [decision].

Miscellaneous Items:

Mr. Huth continued. Tomorrow we will have our new line worker apprentice starting. His name is Sean Sullins. He grew up in South Norwalk so we are excited to welcome him aboard.

The SoNo Mall is reviewing their final invoice we provided them a while back. Thank you to Steve Sax, Scott Murphy, and Eric Strom for their assistance in getting that out.

We are revising pole attachment fees to match what other utilities charge. Our rates hadn't changed in years. We were charging \$7.30 per pole per year. The fee has increased to \$16.48 per pole per year.

Summary of Accomplishments over the Last 6 Months:

- Regular monthly financial reporting initiated,
- Power plant cleanup has begun,
- Auctioned off several unwanted vehicles,
- Completed and posted a new Employee Safety Manual,
- Completed a new Line Worker Apprentice Contract,
- Reorganized company hierarchy,
- Weekly company-wide updates initiated,
- Hired ¾ of permanent staffing in Accounting,
- New ERP system implemented with NISC, to go live in March 2021,
- Updated various fees to match various other utilizes,
- Managed through a pandemic without incident,
- Managed through Tropical Storm Isaias,
- Managing through a drought,
- Regular communication with the City, including the Mayor's office, initiated,
- Improved communications between the Districts,
- Finalized SoNo Mall billing,
- Implemented new company-wide phone system (with added benefit that any employee can take the phone home, plug it into the internet, and be able to easily communicate with other employees),
- Have accumulated enough laptops for critical staff and customer service (in order for these employees to work from home should that become necessary),
- Hired consultant to review metering (specifically, our metering rates and any errors in billing),
- Overhead lighting in State Street conference room replaced with high efficiency LED lights,
- Reached an agreement with Aquarion to provide one million gallons of water per day should the drought worsen (contingent upon their availability),
- All known water leaks have been repaired up to date.

Commissioner Stokes questioned the need to have hired a consultant for the metering review and asked the amount of the fee. Scott Murphy responded the agreed upon fee for 3 days' work was \$6000, although the invoice has not yet been received. The consultant provided a 17 page report with findings, recommendations and conclusions which will be reviewed and discussed internally next week. Chairman Westmoreland added that the metering system review was an investment to ensure the metering/billing process is accurate. If there is a mistake in the metering process, it could mean hundreds of thousands of dollars either over or under billed. Over billed amounts would have to be returned to the customers. Under billed amounts would never be recouped.

Attorney Kara Murphy further clarified that statutes limit the dollar amount SNEW can recoup.

Commissioner Stokes appreciated the explanation and would like to hear back regarding the findings.

EXECUTIVE SESSION

Pursuant to CT General Statute Section I-200(6)A a discussion concerning the employment of a public officer or employee.

Commissioner Borges-Lopez motioned to enter Executive Session at 7:45 pm. Commissioner Mann seconded. Only the Commissioners attended Executive Session. Everyone else was excused from attendance.

Commissioner Stokes moved to exit Executive Session at 8:25 pm. Commissioner Borges-Lopez seconded.

No action was taken as a result of discussion during Executive Session.

Adjournment

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

The meeting adjourned at 8:30 pm.

Attest:

Lisa G. Roland
District Clerk