

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting

January 19, 2010

Present: Mary E. Burgess Chairperson
Al Ayme Vice Chairperson
Maria Borges-Lopez
Mary Mann

Also Present: John M. Hiscock General Manager
Candace Pampoukidis District Clerk

Public Present: None

Absent: Sylvester Maultsby
Cesar A. Ramirez

Call To Order

Chairperson Mary E. Burgess called the Regular Meeting of the Second Taxing District Commissioners to order at 7:04 p.m. on Tuesday, January 19, 2010. The meeting was held at South Norwalk Electric and Water, One State Street, South Norwalk, Connecticut.

Acceptance of the Minutes

Commissioner Burgess: "I will call the meeting of the Second Taxing District of the City of Norwalk. I call the regular meeting to order Tuesday, January 19th at 7:07 p.m."

Mr. Hiscock: "Okay."

Commissioner Burgess: "And I need a motion for acceptance of the minutes."

Commissioner Ayme: "Alright, so moved."

Commissioner Borges-Lopez: "Second."

Commissioner Burgess: "Any questions; corrections?"

[No remarks]

Commissioner Burgess: "All in favor say aye."

Commissioner simultaneously: "Aye."

Commissioner Burgess: "Opposed?"

[No opposed]

Commissioner Burgess: “Abstentions?”

[No abstentions]

Commissioner Burgess: “Okay, and...”

Mr. Hiscock: “Madam Chairman, one comment. Just to indicate for the record that Commissioner Ramirez called me today to indicate that he was ill and would not be at the meeting this evening.”

Commissioner Burgess: “Okay [responding to Mr. Hiscock]. So moved, and acceptance of the minutes of the special meeting of December 15, 2009. I need a motion to accept those minutes.”

Commissioner Mann: “I make a motion of acceptance.”

Commissioner Ayme: “Second.”

Commissioner Burgess: “Any discussion?”

[No remarks]

Commissioner Burgess: “All in favor?”

Commissioners Burgess: “Aye.”

Commissioner Borges-Lopez: “Aye.”

Commissioner Ayme: “Aye.”

Commissioner Burgess: “Mary [Commissioner Mann]?”

Commissioner Mann: “It says I... oh never... it says I was absent, by the way, on the...”

Ms. Pampoukidis: “Oh, because you came after.”

Commissioner Mann: “Okay, which means I can’t vote on them.”

Commissioner Burgess: “Okay, so all in favor.”

Commissioner Ayme: “Aye.”

Commissioner Burgess: “Alright, and one abstention?”

Mr. Hiscock: “Well there... I hate to be a pain, but...”

Commissioner Mann: “You understand what happened?”

Mr. Hiscock: “No, no, I can see what the other is.”

Commissioner Burgess: "What is the other issue?"

Mr. Hiscock: "Mary [Commissioner Mann] is present, and Mary [Commissioner Mann] is absent, because she was here for half the meeting, and not the whole meeting."

Commissioner Mann: "Right."

Commissioner Burgess: "Oh, well..."

Mr. Hiscock: "Because you have her present and absent [directed to Ms. Pampoukidis]."

Ms. Pampoukidis: "Oh, I see."

Mr. Hiscock: "So you might need to put times adjacent to that."

Ms. Pampoukidis: "Okay."

Commissioner Mann: "And it says so was Al [Commissioner Ayme]."

Commissioner Ayme: "Where do you... I can't find that."

Commissioner Mann: "The special meeting, December 15th, and we're looking at tab number 2.2."

Commissioner Ayme: "Oh, [tab] 2.2, okay."

Mr. Hiscock: "[Tab] 2.2."

Commissioner Ayme: "Alright. Okay, for the special meeting I was absent, because I came in late."

Ms. Pampoukidis: "Correct."

Commissioner Ayme: "Okay. The regular meeting I was here."

Ms. Pampoukidis: "Right."

Commissioner Ayme: "Okay."

Commissioner Mann: "That means we can't vote."

Commissioner Ayme: "...on the same day. So I abstain for the special meeting."

Commissioner Burgess: "For the special meeting."

Mr. Hiscock: "Oh, I see..."

Ms. Pampoukidis: "Yes, Mary [Commissioner Mann] wasn't actually absent..."

Mr. Hiscock: "You actually did not make it, so you're going to strike both of those."

Commissioner Mann: "Right."

Commissioner Burgess: "Mary [Commissioner Mann] got there in time."

Ms. Pampoukidis: "Yes, she did actually, she did."

Commissioner Mann: "Then if I was here on time..."

Commissioner Burgess: "Then you can vote."

Commissioner Mann: "Then I can vote."

Commissioner Burgess: "Al..."

Commissioner Mann: "And you have to second [directed to Commissioner Borges-Lopez]."

Commissioner Borges-Lopez: "I will second the motion."

Commissioner Ayme: "Okay."

Commissioner Burgess: "Okay, all in favor?"

Commissioners simultaneously: "Aye."

Commissioner Burgess: "Oh right, you seconded the motion, okay. Let's start over; a motion to approve the minutes of the special meeting."

Commissioner Mann: "I make a motion to approve the minutes of the special meeting."

Commissioner Borges-Lopez: "I will second the motion."

Commissioner Burgess: "Okay, now there should be no more discussion. All in favor?"

Commissioners simultaneously: "Aye."

Commissioner Burgess: "And one abstention."

Commissioner Ayme: "Aye, one abstention."

Commissioner Ayme made a motion to accept the regular meeting minutes of December 15, 2009. Commissioner Borges-Lopez seconded and the motion passed unanimously with all four Commissioners present voting in favor and none opposed.

Commissioner Mann made a motion to accept the special meeting minutes of December 15, 2009. Commissioner Borges-Lopez seconded and the motion passed with Commissioners Burgess, Borges-Lopez and Mann voting in favor and none opposed. Commissioner Ayme abstained.

CONSENT AGENDA

Electric Write Offs – October 1, 2009 thru December 31, 2009

Commissioner Burgess: “Okay, is that... you all set with that? Alright, now I need a motion on the consent agenda.”

Commissioner Ayme: “So moved.

Commissioner Borges-Lopez: “Second.”

Commissioner Burgess: “Is there a second?”

Commissioner Borges-Lopez: “I did; second.”

Commissioner Burgess: “Okay, is there... well there’s no discussion on the consent agenda. Okay, all in favor?”

Commissioners simultaneously: “Aye.”

Commissioner Burgess: “Opposed?”

[No opposed]

Commissioner Burgess: “Abstentions?”

[No abstentions]

The consent agenda passed unanimously with all Commissioners voting in favor, and none opposed.

REGULAR AGENDA

Electric Rate PPA Change – Recommendation

Commissioner Burgess: “Okay, you’re on John [Mr. Hiscock].”

Mr. Hiscock: “Okay. In your packet under item four you have some information with respect to the Rate Stabilization Fund and the changes that would be necessary to the purchased power adjustment portion of our rate structure in order to... and I’m going to put it in sort of a very negative way, to avoid the Rate Stabilization Fund tanking, decreasing to a phenomenally large number. CMEEC’s budget increased significantly during the year, and for 2010, to the point that our wholesale rates are going up significantly. Two things... there are two major causes for that. One, the Pierce Project which provided some benefit to us, the Pierce is the power plant that CMEEC built in Wallingford. The Pierce power plant was receiving fairly high capacity payments for the period from construction to early mid-2009, and they’re projected to drop dramatically. And there are several reasons for that, including the fact that there’s more generation available in New England. There’s a lot of load response. Plants have been built. So the market rate for capacity has decreased. Capacity was the major revenue stream for the Pierce Project. So the Pierce Project contributed a significant amount of money to lower our wholesale rates. If you look, and I don’t really have all of the prior year’s information here, but if you look at the second page which is

CMEEC's 2010 operating budget, the Pierce benefit is minus \$1.38. That's good for us, for Groton, and it generally is in the one range. It previously was higher, okay. In 2011 it's going to be even worse. So that had an effect on us, and that's one of the reasons CMEEC's wholesale rate has gone up. The other reason that CMEEC's wholesale rate has increased is because our transmission costs have increased dramatically. We are now starting to get the phase in of the 345 loop that was brought in from Middletown to Norwalk. That is now getting into the transmission rate base, and our transmission rates are skyrocketing. If you look at the same chart you will see... and each system is a little bit different because of where it's located. South Norwalk has a very high transmission charge because we pay a lot of money to CL&P. That's the reason we acquired that property for the substation."

Commissioner Ayme: "Right."

Mr. Hiscock: "...But transmission rates well over \$10, and closer to \$15 on average for the systems, is extremely high compared to what it used to be. So that's a problem. Those are the areas that truly have given us the most trouble. We're going to have some advantage into next year. The 50 in 5 Benefit on that chart, that's some distributed generation that we signed on for about a year and a half... oh no, two years ago now. It shows a \$0.10, \$0.06, \$0.05, \$0.06, you know, \$0.06 benefit. Next year that's going to be significantly higher because we get paid for the 50 in 5 benefit the year after it occurs, and that also has to do with transmission and peaking. So the costs at CMEEC are changing quite a bit. Transmission's killing us. Pierce is not as good as project as it was, in fact next year it's going to be a negative benefit, and that's going to be a problem. So if you look back on the red and black page you'll see the actuals through 2009, and I think most of you remember that we got negative. In the 2005/2006 range we were down at one point to \$845,000 in the negative. And then you read in the little narrative that we lowered our rate. Well, we raised our rate, and we lowered our rate, then we raised it a little bit, and now we're coming back and recommending to you to raise it again. If you look at the next grouping down, it says current PPA at \$0.04 per kilowatt hour. If, during 2010 we left the PPA at that rate and ran it out, we'd be down to [negative] \$940,259 at the end of the year. That's clearly not acceptable. And, if you look at the end of 2011, because CMEEC does a budget and then a budget estimate for the next year, we drop to [negative] \$3 million, and that's just unacceptable. We then decided to take a look at two other PPA's to try to come up with something that was at least bearable for this year. The bottom one, the \$0.048, that's 8/10's of a penny increase in our rates to CMEEC, would result in a negative \$238,000 in the Rate Stabilization Fund. That's still not a good situation, but I think we can deal with it. And to give you a better example, if you look at December of 2009 where we ended at \$734,000, to go to a negative \$238,000, we're essentially dropping \$1 million in the Rate Stabilization Fund. The other issue that's putting us in sort of a difficult spot is the fact that CL&P just dropped their rates for the first six months of this year; January through June. They dropped their rates about 7%. That's a problem. Had they not dropped their rates that much I probably would have made a recommendation to increase the PPA a little bit higher."

Commissioner Burgess: "A little higher, you said?"

Mr. Hiscock: "Yes [responding to Mr. Hiscock]."

Commissioner Burgess: "Yes."

Mr. Hiscock: "Yes, if it wasn't for that I would have said okay, let's go, instead of my recommendation of \$0.048, I would have went to \$0.05 even. It's kind of a difficult spot that we're

getting ourselves into, and I think it's something that I need to simply talk about a little bit so you understand where this is all going. We used to get a great advantage because of the way that the DPUC forced CL&P and UI to buy power. They ended up with some pretty big power bills. They were the biggest purchaser at the end of each year. And that was a problem for them. So our wholesale rate was always very favorable in relation to [their] wholesale rate because CMEEC did a very good job of contracting. So we had a big, big margin to play with. Their wholesale power costs were way higher than ours. That was to our advantage obviously. Our rates could stay relatively low. The other thing that's happened is everybody's incur... and that rate was called the 'last resort' rate. That was the rate that they would give to anybody. But as competitions increased, the wholesale rate to some of the larger customers has dropped below CL&P's default rate. We are negotiating right now for our power plant in Wilton with suppliers, and that's putting some pressure on us. So we're not going to be able, in the future, to keep our margin at 30% for residential and 10% for commercial. That's going to be a very difficult thing to do. The best way to look at it right now, is if you look at the two tables, you can pull them both out, at the end of the booklet, or at the end of this tab. The first one is our current rate, residential rate comparison with CL&P. It's the long... the first long folded one that pulls out. And if you look down the chart at the extreme right-hand side, that's the difference between CL&P and SNEW if we leave our PPA at \$0.04. It starts out very high because they have a higher fixed charge than we do. That's not, you know, a terribly large issue. If you look at the column as it goes down you'll see in the 4, 5, 6, 7, 8, 900 range the comparison goes from 30 [percent] down to about 24 [percent], down to 23 [percent], down to 22 [percent]. If you recall, that last year was like 31 [percent], 32 [percent], rolling on down to 26 [percent], 27 [percent]. That was last year's difference. So if we didn't raise our PPA we'd still have a reasonable margin, but at that point our Rate Stabilization Fund is going to drop, and then we're going to have to take... literally have to take money out of cash, and I really think it's a very, very bad idea to take money out of cash to pay current operating expenses. That is simply looking for trouble, so I will not make that recommendation to the Commission. We at least have to recover from our customers enough money not to invade cash. That's important. And I'm not worried about the \$238,000 negative. It probably won't get there. CMEEC has always budgeted a little bit on the high side and given us a margin of comfort. So I think... they're showing [negative] \$238,000 if we stay where we are. I think it's going to be better than that. If you look at the next page, this is where the trouble starts. If you... this is... if we increase our PPA by \$0.008 per kilowatt hour and you start to look in that range, and in the 4 to 5, 6, 7, 8, up to say 1,500; the normal range for a customer, you can see now we're talking 26 [percent], 27 [percent], dropping down to 22 [percent], 21 [percent], 20 [percent], down to 18 [percent]. On average we're only going to be 20% less than CL&P. That's an issue. I think going forward we are going to be in a little bit more difficult position. We're going to have a harder time managing this differential, and keeping it as high as we want to keep it. I'm not indicating that we'll be in a position where we're going to be charging more than CL&P, that's not what I'm indicating at all, but I'm saying that spread is going to get tighter and tighter. The way it used to be dealt with, and Commissioner Burgess probably remembers, before there was a lot of discussion about deregulation and competitive rates, and each company had their own service territory and nobody could do anything differently, we had vertically integrated utilities, we socialized our rates to the extreme, and our commercial customers were paying anywhere from 10 to 20%, sometimes as much as 30% more than they would have been paying CL&P. That was... that was awful. But it allowed the utility to maintain this 30% margin. So we, in essence, were..."

Commissioner Burgess: "For residential?"

Mr. Hiscock: "Right, for residential. So we, in essence, were using the commercial business customers, what we call C&I, to sort of subsidize the residential. We got away from that in early... I guess it was 2002-2003 we did a little rate study, and at the time I believe it was the Electric Commission alone, and I made a presentation to the Electric Commission indicating that we had to change that position. The Commission agreed. It was important to change that position, but I was able to do it only because we were purchasing better than CL&P. We had the advantage of doing that. So it's not that things were dealt with dramatically different in the Department, it was the external circumstances that put us in that position. And today, with the pressure that we're getting from the competition, you don't ever want to be in a position where your commercial/industrial customers are paying more than a CL&P rate or a third-party provider, because then the reason for us to exist simply disappears. You're going to have a large C&I customer lean on the local delegation at the legislature and say, you know, 'These people can't continue to do this. They're giving me an adverse business situation'. I'm painting not a good picture, but it's important that everybody thinks about this going forward. It will get difficult..."

Commissioner Ayme: "If I may, who would say that we are presenting an adverse position?"

Mr. Hiscock: "If we got into a situation where we thought it would be appropriate in order to keep the residential rates 30% lower than CL&P..."

Commissioner Ayme: "We are at 25 [percent] lower, right?"

Mr. Hiscock: "We always said we'd shoot for 30 [percent]."

Commissioner Ayme: "Okay."

Mr. Hiscock: "In order to do that, if we eliminated, or the difference between CL&P and SNEW for the C&I, Commercial and Industrial, or went the other way like we used to be in the 90's, at that point you would get a, maybe more than one, commercial and industrial customer, maybe many, maybe through a business group, maybe through the Chamber of Commerce, starting to talk, and you'll end up with SNEW looking like it's not a good deal, and that's a very, very bad situation. We can't afford to do that. An example would be..."

Commissioner Ayme: "No, because that's our very reason for existing here."

Mr. Hiscock: "Absolutely. Absolutely. An example - a lot of people now are chains or franchises, and within the corporate structure they have power experts who understand marketing, who understand deals, they can go out and buy power here and there, and as long as we're a better deal than what's available to CL&P customers, nobody's going to complain. But the minute we're not, that's when the trouble is going to start."

Commissioner Ayme: "If I may, through the Chair?"

Commissioner Burgess: "Go ahead."

Commissioner Ayme: "Now you said before that the gap, the differential, would become tighter."

Mr. Hiscock: "Yes."

Commissioner Ayme: "It may or may not become tighter. What I'm saying is it may or may not, and the reason I'm saying that is because we don't know what's going to happen six months from now."

Mr. Hiscock: "I think we have a very good feel..."

Commissioner Ayme: "Okay."

Mr. Hiscock: "...for the future."

Commissioner Ayme: "Oh."

Mr. Hiscock: "At least the short-term future."

Commissioner Ayme: "Right."

Mr. Hiscock: "And we believe that CL&P, in July, will raise its rates with the DPUC approval back to maybe where they were in December. So that 7% they got is probably going to come back in July."

Commissioner Ayme: "That's my point."

Mr. Hiscock: "And that's a good thing, however..."

Commissioner Ayme: "That's my point."

Mr. Hiscock: "...CL&P's, what they call stranded costs, that was the cost of deregulation, expires in 2011 completely."

Commissioner Ayme: "Right."

Mr. Hiscock: "So that's going to lower their rates a little bit."

Commissioner Ayme: "Oh."

Mr. Hiscock: "That's a problem. So they're..."

Commissioner Ayme: "How would that affect SNEW?"

Mr. Hiscock: "It won't affect us directly, other than it takes some pressure off of CL&P's rates and puts them in a position where they wouldn't be recovering for the stranded costs because they would be paid for, and that has a downward pressure on their rates. Okay, so that's an issue."

Commissioner Ayme: "I have a few questions, so you let me know when..."

Mr. Hiscock: "No, no, go [responding to Commissioner Ayme]."

Commissioner Ayme: "Okay, alright, what's... my first question would be what is CMEEC's position in terms of the rate stabilization here?"

Mr. Hiscock: "They're a cooperative, and they essentially pass through their costs. They have been trying to mitigate the increased transmission costs through the TRANSCO, which we're a member of the TRANSCO. The TRANSCO is formed. It looks like sometime by the end of the fiscal year, our fiscal year, the TRANSCO will be completed, and it will be earning about 13% on equity. That will come back to us as a decrease in our wholesale rate. The TRANSCO will be very helpful to us. The 50 in 5 Project will start to kick in, in [20]11. That will be helpful to us. Will it be enough to offset and create this big gap that we used to have between CL&P's wholesale rates and our wholesale rates? No, but it will help. That's probably the best I can say about it. It will help."

Commissioner Ayme: "Now you said before we have basically two choices. We come up with cash, or we increase the rates."

Mr. Hiscock: "Correct."

Commissioner Ayme: "Is there a third choice? We got to have a third choice [laughing]."

Mr. Hiscock: "There is no third choice."

Commissioner Ayme: "There is no..."

Mr. Hiscock: "And I can... unless you want to materially and significantly cut costs, and that... that's..."

Commissioner Ayme: "Okay."

Mr. Hiscock: "...a very difficult thing, because..."

Commissioner Ayme: "Alright."

Mr. Hiscock: "...our OM&A at the Electric Department is about \$5 million. If you wanted to take the million dollar swing that's indicated on the first chart and eliminate it, that means you'd have to take that \$5 million OM&A, Operations, Maintenance and Administration of the Electric work group and everything related to it, from \$5 million to \$4 million. There's absolutely no way to do that. You couldn't possibly cut enough labor out of the Department to do that and have us still function. As it is, and I will say to you, as it is, we are taking \$1 million out of cash, because we're taking a fund and dropping it from \$750,000 by this analysis down to minus \$238,000. That in, essence, is taking \$1 million out of cash, but it's coming out of the Rate Stabilization Fund which it was intended to do that. So it's not coming out of our bank account. It's not coming out of any of our reserves. It's not coming off of our balance sheet. It's coming out of the Rate Stabilization Fund, the amount of money that we hold at CMEEC to keep our rates level and to try to control the varying wholesale cost of electricity so that the customer has a very smooth even change."

Commissioner Ayme: "What kind of an increase would offset the negative figure of \$940,000?"

Mr. Hiscock: "Let me just quickly glance at the chart. Well the recommendation is to increase it by 8/10 of a penny per kilowatt hour. You'd end up increasing it by a penny and a half, somewhere in that range. I don't think that's very practical considering where it's going to put us..."

Commissioner Ayme: "I understand that."

Mr. Hiscock: "...in relationship to CL&P."

Commissioner Ayme: "I understand that. In terms of percentage, how would that put us as opposed to CL&P?"

Mr. Hiscock: "Well, combined with their 7% drop, it would probably put us in a position where we'd end up in the low teens..."

Commissioner Ayme: "Okay."

Mr. Hiscock: "...to single numbers for residential."

Commissioner Ayme: "As opposed to 18?"

Mr. Hiscock: "Yes, and dead even on C&I, and that's looking for..."

Commissioner Ayme: "And that's not a good position, I understand that."

Mr. Hiscock: "That's not a position I would like to be in."

Commissioner Ayme: "But... okay, the reason I'm asking these questions is because every year since I've been here; I was part of the Electrical Commission, we are facing basically the same problem; almost every year."

Mr. Hiscock: "Almost. One year we dropped our power by a penny per kilowatt hour."

Commissioner Ayme: "Yes, but almost every year we have been facing..."

Mr. Hiscock: "But in general we're moving up slowly and steadily, as is the industry and all of New England."

Commissioner Ayme: "So if we... if we are going to be facing these kind of problems; like you said it's going to get tighter, and tighter, and tighter, and tighter, this is not a good situation."

Mr. Hiscock: "Absolutely not."

Commissioner Ayme: "What could we possibly do, not right now, but in terms of the future? What should we be looking at? What kind of vision should we have for the future in terms of trying to gain control of the situation here, because if we keep going and facing these problems every year, almost..."

Mr. Hiscock: "Okay, if you look at..."

Commissioner Ayme: "...we're going to be in a very bad position."

Mr. Hiscock: "Okay. If you look at... an example, the 2010 Operating Budget of CMEEC, member by member, Groton, Norwich, Jewett City, South Norwalk, East Norwalk, and you go back to the transmission line, you see Groton is at \$11.00, Norwich is at \$12.00, South Norwalk is at \$19.00, okay? The difference between Norwich and South Norwalk is approximately 7/10's of a

penny, because these are megawatt hour prices. If we take money out of cash or bond, preferably out of cash at this point, and build the substation that we want to build..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...we will end up cutting that differential away."

Commissioner Ayme: "For one year?"

Mr. Hiscock: "So our transmission costs..."

Commissioner Ayme: "For one year?"

Mr. Hiscock: "No, no, no, permanently."

Commissioner Ayme: "Permanently?"

Mr. Hiscock: "Permanently."

Commissioner Ayme: "Okay."

Mr. Hiscock: "Okay? And the easiest way to look at that is we're paying \$750,000 per year now approximately to CL&P for what we'll call sub-transmission, for the lines that come in South Norwalk. If we build the substation, and it's not going to be as easy as my presentation here..."

Commissioner Ayme: "Right."

Commissioner Mann: "Yes."

Mr. Hiscock: "...I want you to understand."

Commissioner Ayme: "Right. Right."

Mr. Hiscock: "...If we build the substation, that's \$750,000 per year we will not send to CL&P, and won't appear in our power bill from CMEEC, because the way it works is CMEEC contracts with CL&P for sub-transmission services for us, and then we reimburse CMEEC. Okay? So that's one of the things that will occur going forward, and that's one of the things that should occur."

Commissioner Ayme: "That's providing all things remain equal, as to the amount of money that we will be saving as opposed to the..."

Mr. Hiscock: "It's..."

Commissioner Ayme: "...the Rate Stabilization that we are getting here; differential."

Mr. Hiscock: "It... all things don't need to be equal."

Commissioner Ayme: "Okay."

Mr. Hiscock: "Because the price to CL&P of approximately \$750,000 per year is actually going to increase significantly. As an aside to this discussion, I met with CL&P this week complaining about the three significant long-term power outages we've had since the end of August."

Commissioner Ayme: "Yes."

Mr. Hiscock: "Each one was explained. The latest one that occurred was in a wind storm. The, and I'll give them the old numbers, 43 and 44 transmission lines from CL&P wrapped around each other fairly close to Bell Avenue at Chestnut Street, along the right-of-way, and they stayed wrapped. So both lines were down. It was difficult to diagnose. We were out for three solid hours. I think you all remember that."

Commissioner Ayme: "Right."

Mr. Hiscock: "You probably had to listen to the noise of the generator [directed to Commissioner Borges-Lopez]."

Commissioner Borges-Lopez: "Yes."

Commissioner Ayme: "Right."

Mr. Hiscock: "As part of that discussion, CL&P asked if they could place some equipment in our yard because since they're abandoning their Wilson Avenue substation and they made the modifications in July to the two lines that feed us, they're now unbalanced on their feeder system and 85% of our power comes from one line, 15% comes from the other. We agreed with them we would go back and investigate opening our bus tie, which would balance the loads out, but to avoid an outage and a flop over we have to replace some relays and some breakers. That's quite a bit of money. So that's an issue that we have to worry about going forward, dealing with CL&P. If we don't do that, CL&P wants to put equipment either at our substation, which we probably won't allow, or somewhere along the right-of-way pole mounted. That's a significant amount of money; maybe another \$1 million. Well that's \$250,000 more per year we have to pay to CL&P to cover that \$1 million investment. So the pressure going forward with CL&P is that transmission costs to them through CMEEC are going to increase. So it's really not all relative. I think we can see that the cost to CL&P is going to continue to do this. The old cables along Flax Hill Road are lead and paper and their very, very old, from the 40's. If CL&P has to re-cable, that's going to add significant dollars to us. We have to cover the cost of that. So, CL&P's charges will do nothing but..."

Commissioner Mann: "Increase."

Mr. Hiscock: "...increase for us."

Commissioner Ayme: "Right."

Mr. Hiscock: "Okay, if we build the substation..."

Commissioner Ayme: "Which we are."

Mr. Hiscock: "...we're going to be flat."

Commissioner Ayme: "Okay."

Mr. Hiscock: "It's either going to be we're going to take money out of cash and lose the interest income, or we're going to bond for the project if we're in a good bonding situation..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...and we're going to pay a stable rate of interest at around 5% on the investment. So there's this divergence that we'll get with CL&P, that's why the substation is so important."

Commissioner Ayme: "So the substation should take care of...?"

Mr. Hiscock: "It should help. Every little bit helps."

Commissioner Ayme: "...it should help. Okay."

Mr. Hiscock: "Every little bit helps."

Commissioner Ayme: "So we're moving in the right direction?"

Mr. Hiscock: "We're moving in the right direction."

Commissioner Ayme: "Okay."

Mr. Hiscock: "We're considering the issues."

Commissioner Ayme: "Right."

Mr. Hiscock: "The other thing that I think is going to help us is the AMI Project with the Advanced Metering Infrastructure, and our ability to deal with things like peaks and critical peaks and as part of the project that we're getting the stimulus money for is a new rate study to adjust our rates to match the AMI abilities. So we will have certain customers that will probably take advantage of a better pricing structure from us, and on the five, or six, or seven, eight days a year when power is very, very, very expensive they will elect not to take supply from us. They simply will close their doors, divert their people to other things. We have a facility in South Norwalk that's very, very power intensive. We've been talking to the owner of the business, and if we can come up with a reasonable rate he has agreed that he will curtail. It sounds like they're getting the benefit, but we share the benefit. The customer will get some benefit, we will get some benefit, because on those critical peak days those customers will shut off and our peak will not be as high, therefore our power costs won't be as high. The whole goal going forward is to shift load to the off peak hours. So those are the kind of things that we're doing, and everybody is doing this business, and we're continuing. And if we don't do those we're going to be even further behind."

Commissioner Mann: "Yes."

Mr. Hiscock: "You have to go with what the industry is doing."

Commissioner Ayme: "Alright, so..."

Mr. Hiscock: "That's why we're going to AMI. That's why we're doing all these projects."

Commissioner Ayme: "Okay, so the long-term solution would be to build the substation?"

Mr. Hiscock: "Would be build a substation, continue with the AMI project..."

Commissioner Ayme: "As soon as we can."

Mr. Hiscock: "...and to redesign our rates..."

Commissioner Ayme: "And how long is that going to take, for the substation?"

Mr. Hiscock: "Substation is about two and a quarter to two and a half years out."

Commissioner Ayme: "So..."

Mr. Hiscock: "You've got to go through the Siting Council. You've got to go through that whole process."

Commissioner Ayme: "So we're going to be facing this problem for this year, and next year?"

Mr. Hiscock: "Right."

Commissioner Ayme: "So the bottom line, now that we have all the... a lot of information, thanks to you..."

Mr. Hiscock: "Well I could have given you more information, and... that becomes cumbersome."

Commissioner Ayme: "No, but I... no, I think... I mean from... I don't know about the rest of the Commissioners, from where I'm sitting I think I have enough information to get to the bottom line of the problem here. The bottom line of the problem that we are facing right now, and what seems to be the only way, the only avenue that we have, unless I'm wrong, is to take the cash."

Mr. Hiscock: "From the Rate Stabilization Fund, and raise the PPA by 8/10's of a penny?"

Commissioner Ayme: "That's..."

Mr. Hiscock: "Combination of both?"

Commissioner Ayme: "Combination of both. Now on the bills to the consumer that we are sending, do we have... I believe we have a separate line for Rate Stabilization right?"

Mr. Hiscock: "That is correct."

Commissioner Ayme: "Okay. Okay."

Mr. Hiscock: "Yes, the rate structure itself does not change."

Commissioner Ayme: "Alright."

Mr. Hiscock: "It's simply the component entitled 'Purchase Power Adjustment Changes'. There was one other change that we have no control over. The Conservation and Load Management Fund increased from .0019 to .0022. That's not a big number, but it adds a little bit of pressure."

Commissioner Mann: "That's money."

Mr. Hiscock: "That's the thing that allows us to subsidize conservation and load improvements in the system."

Commissioner Ayme: "So is that a recommendation that you think...?"

Mr. Hiscock: "Yes, the recommendation that I've made is on the tab cover..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...that we raise our PPA in our rate structure from .0400 to .0480, which is an 8/10's of a penny increase in rates to our customers."

Commissioner Borges-Lopez: "I'll make a motion to approve the change in PPA to 0.0480 from the current of 0.0400."

Commissioner Ayme: "Alright, second."

Commissioner Burgess: "Okay, any more discussion?"

[No remarks]

Commissioner Burgess: "Okay, all in favor?"

Commissioners simultaneously: "Aye."

Commissioner Burgess: "Any opposed?"

[No opposed]

Commissioner Burgess: "Any abstentions?"

[No abstentions]

Commissioner Borges-Lopez made a motion to approve a change in PPA (Purchased Power Adjustment) to \$0.0480 from the current \$0.0400 as recommended. Commissioner Ayme seconded and the motion passed unanimously with all four Commissioners present voting in favor and none opposed.

Employee Salary, Benefits and Employee Manual Report – Recommendation

Commissioner Burgess: "Okay, item five."

Mr. Hiscock: "January is always a bad news month."

Commissioner Mann: "Yes."

Commissioner Borges-Lopez: "Huh, what's that?"

Mr. Hiscock: "January is always the bad news month."

Commissioner Borges-Lopez: "Oh [laughing]."

Mr. Hiscock: "Never good. Okay, in your board book under tab five you have the evaluation of Employee Salary, Benefits and Employee Manual recommendations. I'm sure you're aware by now if you read it over it's very similar to every other year, because all we do is update the numbers, we update the tables..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...we add what we did the prior year. This is not rocket science from my perspective. It's just something we all put together. Kevin [Barber] is involved, Scott [Whittier] is involved."

Commissioner Ayme: "Yes, number five..."

Mr. Hiscock: "Kevin Barber, Scott Whittier, Mark Harris..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...Candace [Ms. Pampoukidis] and I, do this document."

Commissioner Ayme: "I move to accept the recommendation; number five."

Mr. Hiscock: "Okay."

Commissioner Mann: "Two percent."

Commissioner Borges-Lopez: "Two percent for grade 1 to grade 15."

Commissioner Burgess: "The recommendation is two percent..."

Mr. Hiscock: "The recommendation is two percent increase in wages."

Commissioner Burgess: "...from grade 1 to 15."

Commissioner Ayme: "That's right."

Mr. Hiscock: "If you look at the CPI numbers..."

Commissioner Burgess: "Yes."

Mr. Hiscock: "...you'll see an anomaly that normally doesn't happen, but it obviously has to do with the economic situation."

Commissioner Burgess: "Yes."

Mr. Hiscock: "The CPI-U and the CPI-W generally track each other, and vary a little bit. This is the first time I've seen this much difference between the two of them where one is 1.825% and the other is 2.259%."

Commissioner Ayme: "Right."

Mr. Hiscock: "I looked at this. I looked carefully at it, and normally give a quarter or half percent over the CPI. I'm having trouble dealing with this - one, because the economics currently are not good for the Department. We have to start paying closer attention to wages. Two, I'm not uncomfortable with this because our employees are currently compensated at what I will describe as quite well."

Commissioner Mann: "Yes."

Mr. Hiscock: "Okay, our employees are paid utility standards plus for a whole host of reasons, including the fact that we're in Fairfield County and we have a lot of people who commute very, very long distances. I'm not going to pick on any particular work group, but the ones that I can easily compare to other work groups probably, not probably, make between \$2.00 and \$2.50 per hour more than their peers at other locations, and I want to put it that way because I don't want to be on the record picking specific work groups out, and that's not my goal here. That and our benefits are good. We have a lot of long-term employees consequently. We're a small organization. We need them. I really struggled with this one. I will tell you dead flat out I struggled with this one. This was not an easy one. Some people are cutting back, others are not. I mean if you look at the CPI-W; that increased more than the CPI-U, which is kind of interesting that wages are increasing faster than the general CPI."

Commissioner Burgess: "Yes."

Mr. Hiscock: "It probably has a lot do with existing contracts, or probably has to do with existing company commitments and all sorts of things in that direction, and at least it appears that most people are thinking that this is a thing that we're going to come out of. So it's kind of like those who are working are doing fine, and those who aren't, aren't doing very good at all. Our collections have been doing okay. We haven't been lagging too badly. Some of our power sales are down, but that's going to be alright."

Commissioner Ayme: "Alright, so the motion is for the recommendation to increase... for an increase of two percent for grade 1 to grade 15."

Mr. Hiscock: "There are..."

Commissioner Borges-Lopez: "I second it."

Mr. Hiscock: "I need to clarify that because there are some Employee Manual changes under Exhibit E, but as you read through them I'm sure you realized that they're all very, very technical changes to match changes in law and regulation, and there is nothing in here that adversely affects the employees in any way other than what law and regulation makes us do. Okay, so that's essentially all they are. There's virtually nothing in here that's unusual."

Commissioner Borges-Lopez: "So you need a motion for both?"

Mr. Hiscock: "For both."

Commissioner Borges-Lopez: "For the increase as well as the...?"

Mr. Hiscock: "Either that or to accept the recommendations in the report plain."

Commissioner Ayme: "Okay, so that's the motion."

Commissioner Borges-Lopez: "I second that motion."

Commissioner Burgess: "Okay, Mary [Commissioner Mann] do you have anything to add?"

[No remarks]

Commissioner Burgess: "Okay, all in favor?"

Commissioners simultaneously: "Aye."

Commissioner Burgess: "Opposed?"

[No opposed]

Commissioner Burgess: "Abstentions?"

[No abstentions]

Commissioner Ayme made a motion to approve the Employee Salary, Benefits and Employee Manual Report as recommended. Commissioner Borges-Lopez seconded and the motion passed unanimously with all four Commissioners present voting in favor and none opposed.

Electric Rules and Regulations – Approval

Commissioner Burgess: "Okay."

Mr. Hiscock: "Item seven was placed on the agenda based on a discussion with... or a discussion between Commissioner Ramirez, and asked the Chair at the last to meeting to place this on the agenda. We had a discussion about this."

Commissioner Ayme: "We..."

Commissioner Burgess: "No, wait."

Commissioner Ayme: "We were on item five, not..."

Commissioner Burgess: "We missed Electric Rules and Regulations."

Mr. Hiscock: "Oh, I'm sorry."

Commissioner Ayme: "Yes, now we go to item six."

Mr. Hiscock: "I'm out of control."

[Laughter]

Commissioner Burgess: "We're making it too easy for you this January."

Commissioner Mann: "Yes."

Mr. Hiscock: "I'm sorry."

Commissioner Ayme: "Alright, item six, right?"

Mr. Hiscock: "Item six, rules and regulations approval. This document was tabled from the last meeting. We did hold the session to provide additional information to Commissioners who wanted additional information with respect to the rules and regulations to ask their questions. That session was held. I believe we did answer the questions that came up, and as a result of that response to the questions, and the fact that no other Commissioner has asked any questions with respect to the rules and regulations, I'm assuming at this point that all of the questions have been resolved to the satisfaction of the Commission."

Commissioner Ayme: "Okay, I attended the meeting, and for the record I want to thank Mr. John Hiscock, Kevin Barber, and the other gentleman, I forget his name."

Mr. Hiscock: "Scott Whittier was there."

Ms. Pampoukidis: "And Tom [Villa]?"

Mr. Hiscock: "And was... Tom Villa."

Ms. Pampoukidis: "Tom Villa."

Commissioner Ayme: "Tom Villa?"

Mr. Hiscock: "Yes, Director of Operations, Tom Villa; Director of Technical Services, Scott Whittier; and Director of Administration and Customer Service, Kevin Barber were all there."

Commissioner Ayme: "Tom Villa, and what's the name of the other one?"

Ms. Pampoukidis: "Scott Whittier."

Mr. Hiscock: "Villa, Barber, and Whittier."

Commissioner Ayme: "Okay, and I want to... for the record I want to thank all of them for answering all the questions that I had, and I was able to fully understand all the details within the manual. And that's what I have to say."

Commissioner Burgess: "Does anyone else have any questions about the manual?"

[No remarks]

Commissioner Burgess: “We’ve all read it, right?”

Commissioner Ayme: “Alright, on that basis...”

Commissioner Borges-Lopez: “We studied it, how’s that?”

Commissioner Ayme: “Okay, so I’ll move for approval.”

Commissioner Borges-Lopez: “Second.”

Commissioner Burgess: “Okay, any discussion?”

[No remarks]

Commissioner Burgess: “All in favor?”

Commissioners simultaneously: “Aye.”

Commissioner Burgess: “Opposed?”

[No opposed]

Commissioner Burgess: “Okay.”

Commissioner Ayme made a motion to approve the Electric Rules and Regulations. Commissioner Borges-Lopez seconded and the motion passed unanimously with all Commissioners present voting in favor and none opposed.

Document Translation – Discussion

Mr. Hiscock: “And now we’ll get to where I started. I should have paid attention to the agenda. As I indicated, Commissioner Ramirez asked this to be placed on the agenda and the Chairman agreed. We have... just on a preliminary basis I’m just going to tell you where we are at this point. I had indicated that I thought we would have had the ad out for the Spanish bi... I guess you could describe it this way, bilingual Spanish speaking Customer Service Agent. We’re almost there. We don’t quite have the ad in the newspaper, but we will get it there. And I don’t believe we’re going to have difficulty in obtaining somebody to do that work. Now, we’re not looking for an individual to do translations for us, and... that’s not the purpose of that. That’s for communications with Hispanic customers. That’s all it’s for. So it’s simply verbal communication is the most important thing. The ability to speak fluently, or reasonably fluently, in Spanish and reasonably fluently in English so that it can be... the individual can be the go between, between the Department and any customer who has trouble speaking Spanish. We’re currently having a problem in that area. We have recognized it for quite some time, and it’s a consideration, so what was discussed at the last meeting is not the reason we’re doing it. We’ve been planning this for a significant time period. It involves shifting a customer service individual, who has already agreed to shift, over to the Accounting Department to fill a vacancy in the Accounting Department. And in an effort to try to figure out what it would cost to deal with translations we contacted The Language Link of

Connecticut, which is a commercial group that claims to have the ability to translate a very large number of languages as you can see from the left side of the page. I don't at this point know how it's done, other than they probably hire a bunch of freelance individuals and farm it out depending on the language. I'm only presuming that because, you know, there can't be that many people working in this company. I was surprised at the cost. The document that you see on the next page, the customer billing information, which is the back side of the bill, that's always been in Spanish and English because it's a DPUC requirement that we do so. We changed some of the notes on the back of the bill and we tried to figure out what it would cost. We got what we thought was a very, very, very inexpensive quote of \$50.00, and I kind of thought that was pretty inexpensive. That's compared to what we think we paid, because we can't remember that far back when we did our last Charter revision, and we kind of think it was \$600.00 to do the poster that went in the... next to the voting machine in the polling place. I don't know if you remember seeing the document, but it was the short version explanation of the Charter changes on a poster that was approved by the Secretary of State, and then we had to do a Spanish version, and we think we paid \$600.00. We don't remember, and based on records destruction policies those records have been destroyed so we don't know exactly what we paid, so I was concerned about that, so I said 'hey, why don't we pick another document and send it to them and see what that would be'. And apparently we got quoted \$75.00 for the second document, correct me if I'm wrong Candace [Ms. Pampoukidis], but I think it was \$75.00."

Commissioner Mann: "Yes."

Commissioner Borges-Lopez: "I saw \$75.00."

Commissioner Mann: "Yes."

Mr. Hiscock: "Yes, it's \$75.00, and the document is behind that, which is the Appeals Committee Procedure. So you know, I looked at that and said gee, that's kind of interesting. We don't know, because I certainly can't judge, and no one on our staff can judge the quality of the translation, but we'll go through some informal procedure to find out if it's good or if it's not. If it's good, or reasonably good, this is fairly inexpensive. I don't know if these prices are going to go up if we start providing more documents."

Commissioner Burgess: "Right."

Mr. Hiscock: "But an example of communications between customers and the Department in written format, we met today to go over form letters that we issue not to many customers, the termination issues, customers who have service problems, things that they need to correct. There's a list of about 25 different documents. So I'm not sure where we really want to go with all of this. I mean obviously there was only discussion, okay, right now we're translating the document that we need to translate to have our bill forms done, and that's sort of where we are, and dealing with the customer service rep for verbal communication. That's where I am at this point, and I just wanted to summarize that so you can either continue discussion or whatever the Commission pleases on this matter."

Commissioner Burgess: "If we're able to hire this person, and someone walked in and said 'I want to appeal', it seems to me if we had someone who could speak their language that would work. The only other problem I have is in view of Haiti now, how many languages do we want to go into?"

Mr. Hiscock: "That came up, and it was an interesting discussion. How would you target who you sent the communication to? We can't send the communication..."

Commissioner Burgess: "No."

Mr. Hiscock: "Those of you who buy electronics; you get an instruction book today [in] English, German, French..."

Commissioner Ayme: "French."

Mr. Hiscock: "...and Spanish."

Commissioner Borges-Lopez: "Spanish".

Commissioner Mann: "That's right."

Mr. Hiscock: "That's about what you get, okay."

Commissioner Burgess: "Right."

Commissioner Borges-Lopez: "Right."

Mr. Hiscock: "I don't think we have a big French speaking..."

Commissioner Borges-Lopez: "Well..."

Mr. Hiscock: "We don't have a big German speaking population."

Commissioner Ayme: "Creole, isn't that..."

Commissioner Borges-Lopez: "Creole is a dialect, and dialect you can't write it. You can only read it. A dialect is a language that cannot be written. You cannot read it. You cannot write it. So all you can do is speak it. So how are you going to put something on paper that's Creole? You can't. And then..."

Commissioner Ayme: "Well what do they write? What do they read? They read in French."

Commissioner Borges-Lopez: "French, that's there... yes."

Commissioner Ayme: "So the equivalent would be, in writing, would be French..."

Commissioner Borges-Lopez: "Yes, but..."

Commissioner Ayme: "...for the Creole, am I right?"

Commissioner Borges-Lopez: "Yes."

Commissioner Ayme: "Okay."

Commissioner Borges-Lopez: "But then my position on it is what I said before, we have many other languages in Norwalk. Norwalk is really very diverse."

Commissioner Burgess: "Yes."

Commissioner Borges-Lopez: "So are we going to now into also Polish, because we have a lot of Polish people and Polish community."

Commissioner Ayme: "Hungarian."

Commissioner Borges-Lopez: "We have a Greek community."

Commissioner Burgess: "Greek; huge."

Commissioner Borges-Lopez: "So that's going to open the doors now for us to..."

Commissioner Burgess: "A lot of money, see that's my..."

Commissioner Borges-Lopez: "...you know, translate every document, so..."

Mr. Hiscock: "There's a piece of research we haven't done, and we don't know the cost. There are services that will do verbal translations where a customer comes in and somehow indicates to you the language that they speak. At that point you call on the phone the service, tell them the language that you need, and at that point you end up with a three-way conversation. The customer speaks to the translator, who speaks to the staffer that needs the translation for communication purposes. We have not yet looked into the cost of that."

Commissioner Borges-Lopez: "Could I make it very simple for you?"

Mr. Hiscock: "Whatever the Commission wants."

Commissioner Borges-Lopez: "Everyone that comes to this country, as a foreigner I came here. I didn't speak a word of English as well, and I'm sure maybe Al Ayme can relate to that. I don't know if you spoke English before you came here, but I didn't speak English. Before we went anywhere, my family, there's always a member of the family that spoke English, because you have to be petitioned by someone who's been living here already in order to legally come to this country. So therefore, everyone has a family member who speaks their language..."

Commissioner Burgess: "That's right."

Commissioner Borges-Lopez: "...that they can bring to any office or agency in order to translate for them. I don't see it like a responsibility of this agency to provide that type of service to anyone that walks in. That's my position; my opinion."

Commissioner Mann: "And I am in total agreement. I don't think we should get into translating all this information. I think you're just opening up a can of worms, you know. I work in an office where I see all types of people..."

Commissioner Burgess: "Yes."

Commissioner Mann: "...and I look at them and say 'I do not understand what you're saying. You need to get a translator.' I do have a Spanish translator in the office, but I see French and a lot of different people. You need to bring a translator. It's never a problem. If they want it, they'll find it."

Commissioner Borges-Lopez: "They will get it, yes."

Commissioner Burgess: "And I do think Maria [Commissioner Borges-Lopez] is right. Almost every family, or every family I know, has someone that they can bring with them. My particular thing is I'm a Justice of the Peace, and I occasionally do Polish weddings which is beyond me, but I have a neighbor who's Polish, so all I have to do is call her. You know, there's an extended family member that can deal with me when I'm dealing with Polish folks. And I think almost every family has that. At least everyone I know. And I don't see us, like Mary [Commissioner Mann], I don't see us getting into a whole huge thing here when I think there are other ways. I think hiring someone will handle it. I think bring a family member will handle it. I just don't think we should..."

Commissioner Ayme: "I have a couple of questions, through the Chair. May I?"

Commissioner Burgess: "Fine."

Commissioner Ayme: "What are we talking about translating here, documents or someone... a live translator? That's what we're talking about, a live translator?"

Commissioner Borges-Lopez: "Both

Mr. Hiscock: "I'm indicating if you wanted more, the ability, to deal with customers with languages other than Spanish we would investigate that kind of an arrangement. I would assume you pay a retainer, and then you pay by the minute."

Commissioner Ayme: "But as it applies to what, to documents? Like if someone..."

Mr. Hiscock: "As it applies to anything."

Commissioner Ayme: "Anything?"

Mr. Hiscock: "Any business dealing. Now a lot of our business dealings, other than paying a bill and setting up an account, are with people who are in business in this country and speak English, even if it's not their primary language, speak enough English to function. My example would be contractors who are setting up or repairing water services, or dealing with leaks in customers houses, or dealing with high electric use. They're going to deal with plumbers, they're going to deal with electricians, they're going to deal with contractors, all who have to be licensed in this State, and all have to have some ability to speak reasonable English. So the vast majority of our customers only need this with respect to billing issues; billing issues only. Everything else is simply you got to work it out however you can. People will come in with their contractor who's going to interpret for them, or they'll come in with somebody."

Commissioner Mann: "Always."

Mr. Hiscock: "Because if they're dealing with anything other than a bill, they're dealing with some sort of an expert or intermediary that's going to deal with the... I can't think of many situations where, other than billing, this is going to matter."

Commissioner Ayme: "So we're trying to set some guidelines, is that it?"

Mr. Hiscock: "I'm simply saying that we're going to deal with the Spanish translation verbally by having a person on staff that will be able to do it."

Commissioner Ayme: "On staff?"

Mr. Hiscock: "On staff, a customer service agent that speaks English and Spanish. Beyond that I don't think there's anything we can do. And I do believe, and I may be wrong, but I do believe that the largest group of non-English speaking individuals in South Norwalk speak Spanish."

Commissioner Ayme: "We don't need a translator, an outside translator? What I'm driving at is that if... if we end up in a dispute with the person, the customer, the person that we are using to translate is an employee and they could say well that's a conflict of interest, because who knows what this person is saying to the customer, and she works for the company, so isn't that a conflict of interest?"

Mr. Hiscock: "If you're going to file an appeal..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...we wouldn't be using our employee to translate."

Commissioner Ayme: "Then you use an outsider."

Mr. Hiscock: "They're going to have to bring someone..."

Commissioner Ayme: "Someone."

Mr. Hiscock: "...to communicate with this Commission."

Commissioner Mann: "Absolutely."

Commissioner Burgess: "Yes."

Commissioner Ayme: "So I..."

Mr. Hiscock: "And while there are people on this Commission that speak Spanish..."

Commissioner Ayme: "...I totally agree."

Mr. Hiscock: "...they can't do it."

Commissioner Borges-Lopez: "The Spanish speaking employee, the potential employee, is only to converse with the customers that are walking in."

Commissioner Ayme: "Right. Right."

Commissioner Borges-Lopez: "And it's unrelated to this Commission."

Commissioner Ayme: "Right. So the first thing would be if someone comes in and they need a translator, the first thing that we would say as a company is do you have a family member that you can bring who can speak the language, and..."

Mr. Hiscock: "Yes, I mean we'll obviously recognize if it's... if it's Spanish, we'll have somebody on the staff."

Commissioner Ayme: "Or French, or whatever."

Mr. Hiscock: "Yes, and if it's Italian we have somebody on staff that's fluent in Italian. But those are the only two languages that I'm aware of that we have employees that would be fluent in."

Commissioner Ayme: "And then if they say 'No, I want an official translation', then we have to go to an outside service. So we do it on..."

Commissioner Borges-Lopez: "No."

Commissioner Ayme: "No?"

Commissioner Borges-Lopez: "Then they have to bring someone here."

Commissioner Mann: "I don't think we should. They're responsible."

Commissioner Borges-Lopez: "They're responsible."

Commissioner Mann: "They're challenging us. They need to bring somebody in."

Commissioner Ayme: "They need to... oh we are saying that they need to bring somebody?"

Commissioner Borges-Lopez: "Correct."

Mr. Hiscock: "Right."

Commissioner Mann: "Yes."

Commissioner Ayme: "And that's... so the burden falls on them?"

Mr. Hiscock: "Yes."

Commissioner Borges-Lopez: "Yes."

Commissioner Ayme: "And is that... is that legal?"

Mr. Hiscock: "It's certainly legal."

Commissioner Mann: "Yes it is."

Commissioner Ayme: "Okay. Okay."

Commissioner Mann: "Absolutely."

Commissioner Ayme: "Alright."

Mr. Hiscock: "The documents that we're required by law to translate..."

Commissioner Ayme: "We are not required by law?"

Mr. Hiscock: "Very few. The billing information on the back of the bill, that has to be in Spanish and English."

Commissioner Ayme: "Okay."

Mr. Hiscock: "If we do Charter revision, the poster..."

Commissioner Mann: "Has to be in Spanish."

Mr. Hiscock: "...that appears in the polling place has to be in Spanish."

Commissioner Ayme: "Right."

Mr. Hiscock: "There are some things that are prescribed by federal and state law that need to be in Spanish. That's the only language I'm aware of that you are required legally to translate to."

Commissioner Ayme: "So then the guidelines are pretty clear."

Mr. Hiscock: "Yes."

Commissioner Ayme: "If it falls within the law we have to comply."

Mr. Hiscock: "Right."

Commissioner Ayme: "If it doesn't fall within the law that we have to do something, then it falls..."

Commissioner Borges-Lopez: "Yes, the responsibility, (inaudible) is on..."

Commissioner Ayme: "...the responsibility, the burden falls on the other person."

Mr. Hiscock: "And recognizing..."

Commissioner Ayme: "And that's a guideline."

Mr. Hiscock: "Yes."

Commissioner Ayme: "Right?"

Commissioner Burgess: "Yes."

Mr. Hiscock: "Well, recognizing the number of people who speak Spanish and don't speak English in South Norwalk, it's accommodation to our customers and it really isn't going to cost a lot of money. That employee is going to make the same as any other customer service rep. The only advantage their going to have because they speak both Spanish and English is they have less competition for the job. We're not proposing a premium to a person."

Commissioner Burgess: "Right."

Commissioner Ayme: "So you're saying that you have to hire someone?"

Mr. Hiscock: "Well I've already said we're hiring somebody anyway. We've moved a person from the Customer Service Department..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...to the Accounting Department..."

Commissioner Ayme: "Right."

Mr. Hiscock: "...to fill a vacancy in the Accounting Department."

Commissioner Ayme: "Okay."

Mr. Hiscock: "Gloria Griffin used to work in the Accounting Department."

Commissioner Ayme: "Okay."

Mr. Hiscock: "Ray Cook has been given the assignment of, a long standing assignment which we've done miserably handling; asset management. Ray [Cook] has been given the responsibility for asset management. He's pretty good. He's not an accountant but he's a very good bookkeeper, and he's had some college courses in accounting, and we're sending him for training. So the duties that Ray is currently doing will be handled by the person whose moving from Customer Service to Accounting, and then we will have the Customer Service vacancy we will fill with somebody who speaks Spanish and English. So the number of employees does not change. The cost of employees does not change. It's simply we've been able to move things around in a way that's beneficial to the Department..."

Commissioner Ayme: "Okay."

Mr. Hiscock: "...without spending any additional funds."

Commissioner Ayme: "Alright."

Mr. Hiscock: "And the individuals who have moved have volunteered. They haven't been commanded. In each case they were given an offer which they accepted. Okay, it's not a case

where we said ‘You are doing this, new job for you’; ‘You’re moving to another location, new job for you’. Both in the past wanted change, we provided the opportunity because we had the opportunity due to a retirement.”

Commissioner Ayme: “Okay.”

Mr. Hiscock: “I don’t know how else to describe it.”

Commissioner Ayme: “So you don’t require a motion on this one?”

Mr. Hiscock: “Unless the Commission wants me to do something different than I’ve described, you don’t need anything.”

Commissioner Ayme: “No.”

Commissioner Borges-Lopez: “No.”

Commissioner Burgess: “Okay, is there any other discussion of this?”

Commissioner Borges-Lopez: “I think we’ve discussed it enough.”

[Laughter]

Commissioner Burgess: “I think we’ve done it.”

Annual Budget Schedule

Commissioner Burgess: “Okay, item eight.”

Mr. Hiscock: “Okay, the annual budget schedule is starting to crop up, and it’s essentially the same as last year, and only the dates have been changed, because the calendar changes. February 12th we draft a District General Fund, Water Fund, Electric Fund budget which goes to the Commissioners; preliminary draft. On the 16th we get to review and discuss it. We’ll go over some of the...”

Commissioner Burgess: “Can I ask you once again, is that set by Charter, that...?”

Mr. Hiscock: “No, the things that are set by Charter...”

Commissioner Burgess: “The electors...”

Commissioner Ayme: “It is the electors’ annual meeting, right?”

Mr. Hiscock: “Okay, let’s start at the bottom. March 16th is a Charter requirement.”

Commissioner Ayme: “Right.”

Mr. Hiscock: “Okay, March 10th is not necessarily a Charter requirement, but its availability and the process takes care of it. March 9th is the regular meeting of the District Commissioners.”

Commissioner Burgess: "Yes, okay."

Mr. Hiscock: "That's set because we approved the Commissioners..."

Commissioner Burgess: "Okay, no, I... no, my problem is always Saint Patrick's Day, you know that."

Mr. Hiscock: "I know that."

[Laughter]

Mr. Hiscock: "March 8th is required by the Charter because we need to publish and get the information out. March 6th is the same way. Everything from there up is simply optional and designed to aid the Commission in going through this process to answer their questions. Any of those dates could change."

Commissioner Borges-Lopez: "Isn't March 6th Saturday?"

Commissioner Mann: "Yes."

Commissioner Borges-Lopez: "March 6th is Saturday."

Commissioner Mann: "March 6th is a Saturday."

Mr. Hiscock: "Yes, it will be posted in the Hour, that's all."

Commissioner Mann: "Posted in the Hour."

Mr. Hiscock: "It will be in Saturday's Hour."

Commissioner Borges-Lopez: "Oh, it's posted."

Mr. Hiscock: "Yes."

Commissioner Borges-Lopez: "Oh, I see."

Mr. Hiscock: "Yes."

Commissioner Borges-Lopez: "Okay. Okay."

Commissioner Ayme: "My problem every year is when do we get it, and how long do we have to review it?"

Mr. Hiscock: "You're going to get it on February 12th..."

Commissioner Burgess: "February 12th."

Commissioner Ayme: "Okay."

Mr. Hiscock: "And you have until March 9th to approve it."

Commissioner Ayme: "Oh, okay. So we have all this time to review it, and that includes if we have to come in to the office."

Mr. Hiscock: "Right, so on the 12th you'll get a draft. On the 16th you'll meet to discuss it."

Commissioner Ayme: "Right."

Mr. Hiscock: "On the 26th you'll get the final version, based on the discussions of the 16th. Okay, if you still have questions we have an optional March 2nd. Now, when is Saint Patrick's Day?"

Commissioner Burgess: "March 17th."

Commissioner Ayme: "Yes, March 17th."

[Laughter]

Mr. Hiscock: "Oh, so we don't have a problem this year."

Commissioner Borges-Lopez: "No, not even on my birthday."

[Laughter]

Commissioner Borges-Lopez: "It's the day before this time, March 2nd."

Commissioner Burgess: "Now we have another problem."

Mr. Hiscock: "Yes."

[Laughter]

Commissioner Mann: "It's optional."

Commissioner Ayme: "On the 2nd?"

Commissioner Borges-Lopez: "No, I said it's the day before so we don't have a problem. Last year we had a problem."

Mr. Hiscock: "Yes. Yes we did."

[Laughter]

Mr. Hiscock: "Unless the Commission wants to do something different, I think this provides you..."

Commissioner Burgess: "No, we can't... look, we've had enough with translation, we don't have to fool with Saint Patrick."

[Laughter]

Mr. Hiscock: “Well they don’t speak English either, do they?”

[Laughter]

Commissioner Mann: “Oh wow. Okay.”

[Laughter]

Public Participation

Commissioner Burgess: “Alright, we’re down to item nine. I don’t see any public.”

Commissioner Mann: “Motion for adjournment.”

Commissioner Burgess: “A Commissioner has moved to adjourn.”

Commissioner Borges-Lopez: “Second.”

Commissioner Burgess: “Okay, all in favor?”

Commissioners simultaneously: “Aye.”

Adjournment

The meeting adjourned at 8:21 p.m.

Attest:

Candace Pampoukidis
District Clerk