

SECOND TAXING DISTRICT COMMISSIONERS
Regular Meeting
October 18, 2011

Present:	Mary E. Burgess	Chairperson
	Al Ayme	Vice Chairperson
	Maria Borges-Lopez	
	Mary Geake	
	Sherelle Harris	
	Mary Mann	
	Cesar Ramirez	

Also Present:	John M. Hiscock	General Manager
	Gwendolyn Gonzalez	Asst. District Clerk
	Joe Tamburri	

Public Present: Douglas Peoples

Call to Order

Chairperson Mary E. Burgess called the Regular Meeting of the Second Taxing District Commissioners to order at 7:00 p.m. on Tuesday October 18, 2011. 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 this regular meeting of the Second Taxing District Commissioners for the City of Norwalk to order, Tuesday, October 18, 2011 at 7:00 p.m. First order of business I need a motion for acceptance of the minutes of September 13, 2011."

Commissioner Harris: "So moved."

Commissioner Ayme: "Second."

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

Simultaneous: "Aye."

CONSENT AGENDA

Commissioner Burgess: "Next thing is motion to approve Consent Agenda."

Commissioner Ayme: "So moved."

Commissioner Geake: "I'll second it."

Commissioner Burgess: "All in favor?"

Simultaneous: "Aye."

Commissioner Burgess: "Oppose?"

No Oppose

REGULAR AGENDA

Commissioner Burgess: "Now we are into the Regular Agenda."

Mr. Hiscock: "The item number 5 on the agenda is the CMEEC Municipal Trust transfer from the Municipal Trust to the Rate Stabilization Fund. I gave you a brief description in the board book about why this is being considered, why it should occur, I also include the resolution of CMEEC 03-07 that sets up the arrangement between the trust and the rate stabilization included with the minutes of a special board meeting of March 25, 2003 and the resolution number 03-37 of CMEEC which set the rules under which we can move money from the trust to the rate stabilization or to use it for other purposes. I don't really think I need to go through the actual resolutions other than to say that when this was originally set up it was all in a rate stabilization fund and the purpose of the rate stabilization fund was exactly that, to keep electric rates stable as a result of deregulation and you can read in the brief narrative, essentially CL&P and UI had to pay for their stranded assets, which were those financial losses that occurred when they sold their power plants in the marketplace and other losses that occurred when they set setup what they called the competitive transition assessment so that the rate payers were charged for the stranded assets from early 2000 thru 2013 for CL&P and maybe 13 or 14 for UI. I don't know exactly the time frame there. At the same time CMEEC had issued or prior to this CMEEC had issued debt to get out of Millstone 3. It had an interest in Millstone 3, it had a power allotment from Millstone 3, it was the time when everybody was attacking nuclear plants and there was a fear by CMEEC and others that the cleanup for Millstone 3 would be so large that they wanted out of the contract, in retrospect it was a mistake to get out. Nuclear power the existing facilities are continuing on the cleanup is not turning out to be a problem as far as we know. CMEEC issued bonds to pay for the settlement with CL&P to get out of the contract and those bonds have a maturity date of 2017 so CMEEC between about 2000 and the current time frame, through rates, collected additional money to put in a bank called rate stabilization so that's when CL&P's competitive transmission assessment disappeared and their rates dropped and when UI's dropped we would not look uncompetitive, in other words our rates wouldn't be higher. And that was the original plan and that was the two resolutions that you saw. We built up a fair amount of money in the fund. We took a certain amount left in rate stabilization fund, we split out an amount in 2003 equal to our share of those bonds so that we owed the money on the bonds by being a CMEEC member and a participant in the system and

we were saving money to offset those bonds. Essentially what happened was the fund increased but because CMEEC also charged us the debt services on those bonds simultaneously the outstanding indebtedness on the bonds declined while the fund continued to increase. Several years ago we froze the fund and stopped collecting additional money other than there's interest on it. Because of our wholesale rate with CMEEC right now being higher than CL&P and UI's because of... and I don't know if we have discussed this as a Commission Meeting directly, but because they bought some gas hedges, gas is when you pre-buy gas in advanced thinking that gas is going to go up you buy it before it goes up, gas dropped so consequently since our contracts with power to CMEEC's contracts with power suppliers involve us paying for the gas, that created an issue and that's why our rates are higher now. We started talking at the Board level, mostly the managers of the various municipal utilities about what to do and I proposed that we start drawing down on the Competitive Municipal Trust for the original purpose, which was rate stabilization for that time frame when CL&P and UI did not have to pay this competitive transition assessment, or their customers didn't. So here we are today, the competitive transition assessment is disappearing, our rates are still lower than CL&P's however, we are running at a significant loss. We have a negative rate of return in the electric utility. You've seen it in the Audit Meeting you'll see it again this year. You know we brought a rate consultant in, an outside rate consultant, to discuss this issue with you. There was a presentation several months ago and that presentation didn't sit well with the Commission. I mean you were all concerned about the numbers that the consultant talked about to get us back to a 5% return on the investment, which is the statutory minimum in Connecticut even though we said no one really pays that much attention to that anymore. Now to give you the numbers so you know where we are headed, if you look at the spreadsheet right in front of tab 6 this is the August 31st actual reconciliation of the fund balances. It looks like this, that's the spreadsheet we are looking at its just in front of tab 6, yes directly in front of tab 6, ok you go across to the South Norwalk column and the first line is the historic CMEEC debt and principle, the outstanding historic fixed cost obligation \$2.872 million, that is the percentage the amount of the bond issue that we are still responsible for, okay the outstanding principle on those bonds attributable to us is \$2.8 million. If you go down past the summary, which is \$2.8 million and you'll see under a column that says or line that says member participant fund, the first one is competitive municipal trust \$5.812 or \$13 million. We have over \$3 million more than we are liable for in this fund so we have significant overage. The overage occurred because we let the money ride and gain, I'll call it interest. It's in a portfolio, a government securities portfolio but basically that's the value \$5.8 million and in our rate stabilization fund we have \$197,000 and we talked a little about rate stabilization and all of the related issues. As you go further down the page you will see that or you can look at the negative number, the negative \$3.137 million is actually positive money. It's the plus money, it's the relationship of the two of them okay because here is obligation we have a negative obligation, we have money. If you go down through the other debt obligations further down the page you'll see there's \$3.281 million dollars in the other obligations, the 50/5 obligation, and the capital lease, outstanding debt for the Pierce Project, and the DG project. I only mentioned these to let you know these obligations are also being taken care of on a monthly basis in our power

billed to CMEEC, but this is just a reconciliation to show you these funds as they relate to monies and obligations of SNEW to the cooperative. Realizing that it's not, it's certainly not a good time to have rates higher than CL&P for electric service. We looked at how to deal with the situation, we had a couple of choices; one was to simply continue to run it with losses and report losses and draw down on cash because obviously when we run losses in the electric utility the electric utility reserve fund drops, that's not a good situation and all of the systems are facing this. Norwich right now has rates higher than CL&P, Groton is very close to CL&P and the only one who is still significantly lower than CL&P other than ourselves is Wallingford so as managers we've all talked about withdrawing the amount that we can withdraw or close to it from the competitive municipal trust for each system and put it into our rate stabilization fund to lower our rates or least to keep our rates close to CL&P's or less than as we choose. Now how do we do that, you've seen this spreadsheet before. This is the spreadsheet we talk about every January, which is the adjustment to the purchase power adjustment that goes on the customer's bill. The greater amount of money we pay CMEEC for our power and we set it, of course we have to true it up and pay the real rate later. The lower the rate stabilization the better off the rate stabilization fund is because we put positive money into the fund. If we don't set the PPA high enough, the rate stabilization fund drops and goes negative. Now I'm only talking about the bottom line, the small portion of the rate stabilization and if you look at August, 2011 we have \$197,000 in that portion of the rate stabilization fund. You can see that in 2005, 2006, and 2007 we were negative because we weren't charging enough under the PPA and you all know that the PPA goes right onto the customer's bill. It's the kilowatt hour surcharge so we took a look at this and was concerned about this issue and although CMEEC bills have been good in the last eight or nine months the \$197,000 that's in it now we predicted last January to be \$165,000 or so, so CMEEC has done about \$30,000 better for us. Now \$30,000 compared in our power bill is like ridiculous, we pay \$11,000,000 a year for power. \$30,000 is not a significant number so to speak. Thinking about how to deal with the situation and the availability of the money in the trust for rate stabilization we've created this chart for you that says if we transfer \$1,000,000, which is going to be the recommendation from the trust, over to the rate stabilization fund and you'll end as of January 1, 2012, we'll end up with a significant amount of money in the fund so if you look down to the second line of 197 127 under August that's obviously where we are today and then to the right of that you see a series of blue numbers which say at the end of December we'll have \$200,000 dollars in the rate stabilization fund. Now the rate stabilization fund would continue to decline if we didn't show the other information so on this chart if you look in the January month under current rate heading 2012 you'll see that the stabilization fund drops, expands or increases to \$1.276 million so that would be the actual transfer of funds from the trust to rate stabilization, if we did nothing else we would build cash all the way to the point where the rate stabilization fund at the end of 2013 based on CMEEC's budget numbers, would be \$1.8 million. Well that's clearly not the goal here and that's not the end game so we moved to say okay if we want to drop off the PPA to make the rates less expensive to our customers instead of paying CMEEC essentially 11¢ a kwh lets drop it 10 ½¢ so if we drop it to 10 ½¢ you can see that the blue numbers decline all the way through the end of 2013 down to \$849,000, okay we've lowered the rate from 11¢ kwh to 10 ½¢ so it's a

½ penny a kwh savings to customers. We then went and said okay that's great why don't we drop it by a penny down to 10¢ a kwh and if you look at the bottom portion of the graph you'll see that...or the spreadsheet you'll see that if we do that by the end of 2013, we will have a negative \$135,000 in the rate stabilization. Now we can't predict that far out. \$135,000 in the rate stabilization fund depends on how good CMEEC does in relationship to their budget where power prices go, but I only pointed out to show you that if we transferred a million dollars of our money, because it is our money from the trust into the rate stabilization we could drop the cost of power by a penny per kwh.

[Commissioner Mann and Mr. Joe Tamburri entered the meeting]

Mr. Hiscock: Now is that a big number? No, when people are paying 16, 17, 18 cents a kwh on balance when you add in distribution, transmission and all of that it's not a lot but it's significant and it's worth doing. The other thing I really want to point out to you that's pretty clear is that based on the original resolution we can transfer up to 20% of the balance of the trust so that's actually \$1.16 million leaving \$160,000 sitting out there that we could draw if we wanted to and we could draw at any time during the fiscal year an additional \$160,000. It's a number that's significant but really doesn't change the picture a lot, however we'll still be left with \$4.8 million in that fund by January of 2013. By January of 2013 our debt of \$2.8 million will be down probably in the range of \$2.1 or \$2.2 million because we are again paying this off through the rates, so there's a possibility that we could potentially lower our kwh charge even below the 10¢ by transferring another million dollars in January of 2013. Now that's not tonight's proposal at all because there's plenty of time to do that and evaluate it. I'm going to stop here to answer technical questions about the transfers and what it is and how we would go about it doing it. Simply a resolution tonight is all it would take, simply a resolution to transfer \$1 million from the trust to rate stabilization."

Commissioner Ayme: "What we are saying here is that we are transferring the excess funds that we have."

Mr. Hiscock: "That is correct."

Commissioner Ayme: "That's the bottom line."

Mr. Hiscock: "We're transferring the excess funds..."

Commissioner Ayme: "Minus \$160,000 dollars."

Mr. Hiscock: "Right."

Commissioner Ayme: "That's what we are doing?"

Mr. Hiscock: "And, yes."

Commissioner Ayme: "The rest of the balance in that fund is obligations that we still have?"

Mr. Hiscock: "No, we only have an obligation of \$2.8 now and if we drop it by a million we'll still have \$4.8 in it so we'll still have way more than our obligation."

Commissioner Ayme: "Oh okay."

Mr. Hiscock: "Now, I'm not looking at the obligations."

Commissioner Ayme: "The portion of what we have is to pay the obligation?"

Mr. Hiscock: "Right and I'm talking about the obligation with respect to the Millstone bonds, the other obligations are being paid also through rates."

Commissioner Ayme: "Okay."

Mr. Hiscock: "So in essence we are using this for what it was intended for."

Commissioner Ayme: "So the excess funds are what we are using minus the \$160,000?"

Mr. Hiscock: "Yes"

Commissioner Geake: "Through the chair, I would like to know how many kilowatt hours does the average resident purchase, consume in a day? Do you know? Or what's an average amount?"

Commissioner Ramirez: "That's kind of tough."

Mr. Hiscock: "It really, really depends on the person, the number of individuals, whether you have air conditioning or not, the low end number is 400. Now we have people that use 175 kwh in a month but far and few between, 400 is the normal low, an average for a home that doesn't use excessive air conditioning, this is an annual average not the peak in the summer about 750 kwh."

Commissioner Geake: "Thank you."

Mr. Hiscock: "And on the high end 11, 12, 13, 1400 for people who are not concerned about the ability to pay for electric."

Commissioner Ramirez: "We are referring to residential, not businesses. Is that correct?"

Mr. Hiscock: "That is absolutely correct. Now the rate reduction that would result would be for business also."

Commissioner Ramirez: "We're talking about the average that we may [inaudible] right now, obviously."

Mr. Hiscock: "Correct and we obviously have some huge commercial customers such as 50 Washington Street or the Maritime Center, or the house account for the new building on North Water."

Commissioner Ramirez: "With that in mind don't...I'm sorry, may I?"

Commissioner Burgess: "Yes, go ahead."

Commissioner Ramirez: "With that in mind following through an average of let's say 400 to 1700, what would be the approximate savings to the customer, the residential vs. commercial?"

Mr. Hiscock: "Let me do some quick math, it'll only take a second, alright if we do a penny a kwh times say 750 it's only \$7.50 a month savings for the average run of the mill. This is not a big number but remember we have customers that it makes a difference to."

Commissioner Ramirez: "Especially for those fixed income, seniors."

Mr. Hiscock: "So it's \$75 to \$80 a year by dropping it a penny."

Commissioner Ramirez: "A long profile with a commercial otherwise that would be a huge number though."

Mr. Hiscock: "Some of the commercial accounts would be a very large number, and some of the very small businesses it might even be less than that, you know a little tiny store without refrigeration."

Commissioner Ramirez: "I'm talking about a restaurant perhaps."

Mr. Hiscock: "Big numbers."

Commissioner Burgess: "Commissioner Ayme?"

Commissioner Ayme: "In terms of...since talking about affecting the rates, residential customers you know that would be beneficial times, in other words we lower the rate of the residential customer?"

Mr. Hiscock: "Yes."

Commissioner Ayme: "In that same light how much are we...after the increase that was approved, the residential rates how much would they be below, what percentage? At what percentage is SNEW as opposed to CL& P?"

Mr. Hiscock: "Where are we now?"

Commissioner Ayme: "Below CL&P."

Mr. Hiscock: "Yea, it varies tremendously, because CL&P has sort of changed to the modern rate structure that we are trying to get to. For residential customers at the very lowest end, I don't have them in front of me but, I believe it's in the 50% but this is for a very, very, very tiny use because our customer charge is significantly lower than CL&P's. Now as you go down through our rate structure, it literally goes downward to 30, 20, 10, 15 and it gets almost identical to CL&P at about 4000 kwh, now that's a big number, 4000 kwh is an extremely big number."

Commissioner Ayme: "Which is not the average?"

Mr. Hiscock: "Oh no, nowhere near that, the only place you run into those kind of residential uses is in the few apartment buildings that have combined electric and do not have individual meters, that's about the only place you'll run into utilization at that level. So for a 750 kwh customer, without holding me to the number I will tell you it's in the 20% range currently. As we continue with the rate consultant..."

Commissioner Ayme: "[Inaudible] closer to the average."

Mr. Hiscock: "As we continue with the rate consultant by the way, you'll have all of this in much more detail. The only thing we are doing tonight is the first step to move the money over so that we can count it into the analysis by rate consultant for the purpose of mitigating the kind of increase that you were presented a couple of months ago which we thought was outrageous and..."

Commissioner Ramirez: "It was presented to us."

Mr. Hiscock: "Yea, I mean we were talking a 22% rate increase for residential and most of this Commission looked at me like I was insane, and that wasn't a recommendation it was only explaining to you the process."

Commissioner Ramirez: "[Inaudible]"

Mr. Hiscock: "Exactly, this would be the first step and during the analysis and the presentation the Commission could make a decision although it wouldn't necessarily commit to it, it could make a decision that its intention was to draw down on rate stabilization faster than during 2012 with the presumption that you are going to flip another million into rate stabilization out of the trust in January of 2013, that would give

you the ability to pretty much absolutely get our rates below CL&P for every customer. Okay and I know we are not doing rates this evening but I will tell you that Kevin Barber and I had a conference call Mayhew Seavey today and we are meeting with him next Wednesday to iron out the details of a presentation that will be made to the Commission. We have discussed this with Mayhew as an alternative to raising rates, and he has been doing calculations an analysis and creating rate schedules at my direction to show the affect of this million dollar transfer, so that's really what the presentation simply is about whether or not we should transfer that \$1 million over."

Commissioner Harris: "Bare with me, I think I may have missed something, you are proposing transferring the \$1 million from trust to the rate stabilization fund."

Mr. Hiscock: "Right."

Commissioner Harris: "And we would still have \$4.8 million but you mentioned the \$1 million minus \$160 and I'm not sure where the 160 is."

Mr. Hiscock: "Oh I didn't explain that in detail, the resolution that created the trust only allows us to withdraw 20% a year, so if you take \$5.8 million multiply it by 20% it comes out to I believe \$1.16 million so the difference between the \$1 million I'm telling you to transfer and what we're legally allowed to transfer is \$160,000 dollars."

Commissioner Harris: "Thank you."

Commissioner Burgess: "Any other questions?"

Simultaneous: "No."

Commissioner Burgess: "We need a resolution to transfer \$1 million from the municipal trust to the rate stabilization fund. Is that what you need?"

Mr. Hiscock: "That is correct, and before you get into discussion what would happen next, and I've already explained to the Chief Financial Officer of CMEEC, that the Commission is entertaining this recommendation this evening. It would go before the CMEEC Board next Thursday at our regular monthly board meeting and the language is essentially CMEEC Board cannot unreasonably withhold approval, which means if we have a valid purpose they have got to approve it, and I will tell you that they approved a transfer for Groton last month, or we approved transfer of about 14% of their rate stabilization fund. So and Norwich is now considering doing the same thing so it appears that each of the munies will be in the upcoming year using the trust to minimizing rates to the maximum possible advantage."

Commissioner Burgess: "Any other questions? Motion to approve this resolution?"

Commissioner Borges-Lopez: "So Moved."

Commissioner Ramirez: "Seconded."

Commissioner Burgess: "All in favor?"

Simultaneous: "Aye."

Commissioner Mann: "One Abstention."

Commissioner Burgess: "Oppose?"

No Oppose

Commissioner Burgess: "No action is required on the meeting schedule?"

Mr. Hiscock: "No I just simply wanted to indicate to you that this is the schedule based on the charter and our regularly published meeting schedule for 2011. If you will note the regular meeting of the District Commission during November is the second Tuesday which is the 8th. 11/8 which we will do our regular monthly meeting. At that point you will have the opportunity as a Commission to discuss the audit, the audit information which you will have prior to that. We plan on transmitting it to you on the 4th, which gives you only four days to read it and we will discuss it on the 8th and if the Commission has had sufficient time to digest it and have their questions answered, they could approve and recommend it to the electors for approval at the annual meeting on the 15th the Annual Audit Meeting. If the Commission has concerns on the night of the 8th and we've done this before, what we would do is...and the annual meeting on the 15th is at 8:00 p.m. the Electors Meeting. We would then schedule a Special Commission Meeting before the electors meeting on the 15th to answer any final questions or we could do it sooner than that, so we have that window between the 8th and the 15th for that final recommendation. In addition to that, at the annual meeting, I think as you know, we do... I didn't bring the charter with me, we do the audit and the budget is done in the Spring, so that's the schedule. You know we've got the notices as you can see that goes in the Hour, so everybody understands when the meeting occurs and what the agenda is. Are there any questions? Remember we need a quorum of 15 to proceed with the meeting."

Commissioner Ayme: "Right."

Commissioner Geake: "Through the chair, this is election night so it might be difficult to get people to come out the 8th. It's the night of the election. I'm just reminding everybody that it could be more difficult than it's been in the past."

Mr. Hiscock: "Yea, yea and it's not a good situation but we are captive in November with the calendar. The reason we set these schedules was because of Thanksgiving and we have changed twice in successive charter revisions. We have changed the November annual meeting date because we used to get backed into Thanksgiving and that was ugly

when we would have an Elector's Meeting the night before Thanksgivings. We really took abuse for that because we did it on a Wednesday and then we moved it to Tuesday and it wasn't much better."

Commissioner Ramirez: "Through the Chair if you don't mind, would it make any difference to transfer to the 9th which is the night after or perhaps the night before which is the 7th. I believe that a transfer of one night could be in reference to having a lack of quorum in the last minute could be kind of..."

Commissioner Geake: "I think it has to be so many days."

Commissioner Ramirez: "You know what I'm saying, because the 8th is actually right and I understand both of you."

Mr. Hiscock: "I will give you the two issues with respect to those two dates, I have a formal presentation on the night of the 7th that I need to make and it would be difficult to get a replacement for me although I could."

Commissioner Ramirez: "What about the 9th?"

Mr. Hiscock: "The 9th is fine for my schedule, the only issue that it creates is that if you move the Tuesday meeting it changes from a regular meeting to a special meeting and we have to cancel the regular meeting which isn't a problem okay, what we would do is cancel the regular and then we would schedule a special meeting. The only difference between a regular and a special meeting is that a special meeting you are not able to modify the agenda so we've been through this process before, when you call a special meeting the only things that you can discuss at any meeting, you can only discuss what's on the agenda."

Commissioner Ramirez: "What's on the agenda?"

Mr. Hiscock: "But when you do a special you can only discuss what's in the published agenda and that's the only difference."

Commissioner Ramirez: "Right, which I believe the most important."

Commissioner Burgess: "If the draft is transmitted to us on the 4th what difference does it make if we have to take action on it the 8th or the 9th?"

Commissioner Ramirez: "The reason, the reason was because it's an election day and a few of us will be busy or some of the Commissioners you say will be busy within the whole election process and instead of there being a lack of a quorum, you understand what I'm saying?"

Commissioner Burgess: "I was just thinking the election would be over by that time, just about."

Commissioner Ramirez: "Not exactly though."

Commissioner Burgess: "Then we wouldn't still have to have a regular meeting with a special meeting?"

Mr. Hiscock: "Well yes, I have three agenda items that need to be dealt with on that night, one of them is going to be a presentation that's going to take a while the other two are relatively brief. Both of them have time constraints to them if they can't be moved to December but from my perspective between the 8th and the 9th makes no difference. You can do it on the 9th, we can publish the agenda with those three items on it without any problem. This is really a Commission decision in case some of you are poll workers, I don't know."

Commissioner Burgess: "So you can add your items on it even though it a special meeting."

Mr. Hiscock: "Yea, because we haven't published the agenda, so the items that I need to present and the presentation that needs to occur, which is going to be over an hour long from the rate consultant."

Commissioner Ramirez: "I think instead of being moving in a hurry we need to digest specifically in detail what our director is going to present to us so that's something to take into consideration though."

Commissioner Ayme: "Do you need a motion to move it from the 8th to the 9th?"

Mr. Hiscock: "No, the Chair has the right to cancel a meeting and schedule a meeting, the Chair has a right by charter to call a meeting whenever the Chair so desires."

Commissioner Ayme: "Okay."

Mr. Hiscock: "So that's fully within your authority without Commission approval."

Commissioner Burgess: "I'll do it if there's no [inaudible]"

Commissioner Ramirez: "We appreciate the Chair. I personally appreciate it, thank you."

Mr. Hiscock: "The only thing that I need to do is check with the presenter from the rate consultant to make sure he can make the 9th."

Commissioner Burgess: "Okay."

Mr. Hiscock: "Okay, I can find that out tomorrow."

Commissioner Ramirez: "Thank you Sir."

Commissioner Burgess: "Okay, we are now down to item 7. I would like to say something before we get into this. As you know we have a committee working on the regulations for charitable contributions and their work is not complete yet so they had nothing to present to us however, this particular thing has to deal with Thanksgiving and it came in during this process and I personally don't think we can just ignore it and say we are looking at other things here. So I would like to know what other people think."

Commissioner Ramirez: "Through the Chair, I have been the witness and a real testimony in what really this program has served our clients. When I say our client most of these people are part of the community and it's such an event that really has been inspired in such good manner, okay and the gratitude that these people also reflect toward this agency is tremendous okay. I wouldn't challenge you but I ask you if you do have the time and if you want to stop just to see the so called inspiration of these people to be so thank you, okay, to the few minutes when they really hadn't been served the Thanksgiving dinner. It is unbelievable the smile that you see on these faces, the beautiful thing that we, our agency has provided for many years already. I definitely believe that this will serve as a positive and a healthy and will enhance definitely our relationship with our community to approve the \$1,500.00."

Commissioner Borges-Lopez: "Through the chair, Mr. Hiscock how much or what's the balance on the fund that we normally use for donations?"

Mr. Hiscock: "The line item for unspecified community service budget is \$7,500.00."

Commissioner Borges-Lopez: "But is it, was any of it used at all?"

Mr. Hiscock: "No."

Commissioner Borges-Lopez: "So it's still \$7,500.00 right now?"

Mr. Hiscock: "Because when we do the budget meeting we tell the electors that we will not use funds from that until the Commission approves that at a regular meeting, and we haven't done that. So the only community service funds we've dispersed this year I believe other than our in-kind services is the support for the SONO Arts Festival which occurred in August, and that item I believe is also \$1,500.00. Some years we use it all other years we don't. I haven't seen the invoice. I haven't looked at it this year but that is a separate portion of the budget and that's a line item, this is the unspecified portion."

Commissioner Borges-Lopez: "Okay, well considering that we have not completed...the Committee has not completed the analysis of the donations for the year and this came in

November and they have to also prepare for Thanksgiving, I would like to make a motion to approve this \$1,500.00 for the..."

Commissioner Geake: "And I would like to second it."

Commissioner Borges-Lopez: "Neighborhood Improvement Coordinator."

Commissioner Burgess: "All in favor."

Simultaneous: "Aye."

Commissioner Burgess: "Oppose?"

No Oppose

Commissioner Burgess: "Abstention?"

Commissioner Burgess: "We are down to Public Participation."

Commissioner Ramirez: "May I ask a question? I believe I don't know if I failed to ask it during the whole process of all the questioning. Will this be the right moment to ask pertaining to what we discussed outside?"

Mr. Hiscock: "It's up to the Chair, certainly it could be."

Commissioner Ramirez: "Chair, I know this might sound a little...after we approve... this is my first time going through this experience and this Board and I don't know the logistics at this point what the Commission can possibly do. For the past since this rate went through the Water Department since we approved the rate at 25% it's been a tremendously phone calls days, evenings, and people that I see on the Street are at all different levels, is there anything at this point I ask it through you going through and we'll end it ED (Executive Director?)"

Commissioner Burgess: "There's nothing we can do tonight because it's not an agenda item."

Commissioner Ramirez: "I know, I was just asking a question? Is there anything that can be perhaps in the future that can be done in reference to the increase of this magnitude?"

Commissioner Ayme: "There is nothing we can do not tonight."

Commissioner Burgess: "Not without creating, well we can't do anything."

Commissioner Ramirez: "No you can't do anything today, and it's just a question through you that would end it through the ED (Executive Director) if there's anything

that exist perhaps that the Commissioner might be allowed to do in reference to lower instead of a 25% would be lower than that.”

Mr. Hiscock: “Certainly the Commission has the legal option to do what the Commission wants to do. There are two rules that relate to this if and a Commission of this type, and I don’t know how Frank Zullo would rule in a normal body that uses Robert Rules, you can do a rescission or you can do essentially a modification and one takes a majority of the members present if the person who makes the motion voted in the affirmative and if that’s not the case it would take 2/3 to change it. That’s the Robert Rules procedure and I don’t know where Consul would go. Obviously the Commission has the legal right to do what the Commission will do by vote after placing it on the agenda and giving it due consideration. At this point it’s now the middle of October and we have in essence changed the rate structures and we have prepared and have not completed yet but have prepared to bill the customers at the end of this month. We certainly could calculate and go backwards and void bills and do something along that line. I mean it’s possible, it’s physically possible and it’s legally possible, it would be difficult that’s all I can say.”

Commissioner Ayme: “If I may, I don’t think, we are talking about an item that not on the agenda we should not be discussing it at this point.”

Commissioner Ramirez: “It was a question that was brought in and I was asking, okay.”

Commissioner Ayme: “We should not be discussing at this point.”

Commissioner Ramirez: “It doesn’t mean it has to be on agenda. We’re not taking any action. It’s a question I do have the right to ask.”

Commissioner Ayme: “It’s not.”

Commissioner Ramirez: “and I asked specifically if that could be answered. I didn’t ask for any action, because I know that it’s not on the agenda period. But I do have the right to request through that a lot of people have been requesting and I have no answers and that’s why I’m asking for the answers through the Chair which landed at the end to the ED (Executive Director). Simple as that, it’s a very simple question.”

Commissioner Burgess: “You could have gotten the same answer by calling Mr. Hiscock in his office rather than discussing it at a meeting.”

Commissioner Ramirez: “Unfortunately.”

Commissioner Burgess: “Not at a meeting where it’s not on the agenda.”

Commissioner Ramirez: “The inconvenience though you will not be at the meeting neither the rest of the Commissioner. The rest of the Commissioners needed to hear this.

Perhaps this question coming from me perhaps might be something that will trigger a little question mark in the minds of other Commissioners. I'm pretty sure there have been other people in the community that have asked questions, maybe they might maybe might not."

Commissioner Burgess: "Well I think you got your answer."

Commissioner Ramirez: "Yes, but I have a right to make sure that this is clear though. Thank you."

PUBLIC PARTICIPATION

Commissioner Burgess: "Now we are down to Community Participation."

Mr. Douglas Peoples: "That would be me and I don't really care if the 25% is on the agenda or not. You guys need...the way you guys went about rolling this about and not letting the public know about what was going on, I expected more out of the people in South Norwalk that have lived here."

Commissioner Ayme: "State your name."

Mr. Douglas Peoples: "No I'm talking."

Commissioner Ayme: "State your name for the record."

Mr. Douglas Peoples: "I'm quite sure everybody knows who I am, I'm quite sure everybody knows who I am okay, for you guys to send out a letter stating that you are going to hit somebody with 25% all at once and not have a public hearing and let people know about what's going on in this room here, was downright ridiculous and wrong, right? I expected more out of the people of the City of Norwalk. I don't care if you live in Wilton, you can do whatever you want in Wilton, you go there. You guys know my feeling towards your boss, I don't hide that, I don't hide it, but for you guys that are from Norwalk or from South Norwalk to roll out a 25% increase all at once and not let the people of Norwalk know what you are doing, but you get it in a letter is utterly ridiculous. I understand you have to build a plant and get something going but you could have worked it out and staged it in over the year because you are going to be hitting some people that have a lot of low income with your 25%. So whatever you guys need to do talk about it, figure it out but you guys really need to correct it, you need to correct the wrong."

Commissioner Burgess: "Thank you, as I said no action will be taken on this tonight."

Commissioner Geake: "I make a motion that we adjourn."

Commissioner Ayme: "Second it."

Adjournment

The meeting adjourned at 7:55 p.m.

Attest:

Gwendolyn Gonzalez
Asst. District Clerk

Transcribed by: Gwendolyn Gonzalez
Reviewed by: Connie Farrugia