

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes

July 17, 2012

Present:	Mary Burgess Maria Borges-Lopez Mary Geake Mary Mann César Ramirez	Chairman
Absent:	Al Ayme Sherelle Harris	
Also Present:	John M. Hiscock Gwendolyn Gonzalez	General Manager Assistant Clerk
Public Present:	Alexander Christopher Mrs. Christopher	

Call To Order:

Commissioner Burgess called the Regular Meeting of The Second Taxing District Commissioners to order at 7:07 p.m. on Tuesday, July 17, 2012. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Commissioner Burgess: "Ok, I will call the meeting to order for the Second Taxing District on Tuesday, July 17, 2012 at 7:07 p.m."

Acceptance of the Minutes:

Commissioner Burgess: "And I need a motion for acceptance of the minutes, if everyone has read them."

Commissioner Borges-Lopez: "I will make a motion."

Commissioner Burgess: "Second?"

Commissioner Geake: "Second."

Commissioner Burgess: "Ok."

Commissioner Ramirez: "Ok, through the Chair. Just for the record, I have to, I was not here so?"

Commissioner Burgess: "I know your weren't here. Ok, so all in favor?"

Commissioner Geake: "Aye."

Commissioner Burgess: "And one abstention."

CONSENT AGENDA:

Commissioner Burgess: "Alright, may I have a motion on the Consent Agenda?"

Commissioner Ramirez: "I place a motion."

Commissioner Burgess: "Second?"

Commissioner Geake: "Second."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

REGULAR AGENDA:

Commissioner Burgess: "Now the Regular Agenda, Mr. Hiscock, SNEW Policies Review."

John Hiscock: "Ok, as you know we have been doling them out a few at a time. Here are three more for you. Accounting Policy Electric Receivables, Non-Residential Electric Account Collection Policy and Cash Management Policy. Consistent with what we have been doing and its tabs 4.1, 4.2 and 4.3, the changes are very minor and we have the black-lined version which is the new version and we have the redlined showing where we made changes. The first one that we are dealing with is Accounting Policy Electric Receivables. We are making very few changes. This was a policy adopted a while ago and there was a typo in it, which we didn't catch until very recently, on the first page on V.3. The Heading was 'in excess of six years' and the document in the body said 'in excess of seven years'. That is really poor proofing. We changed all of that to 'in excess of six years'. That is what we have been doing for quite some time and the receivables you get every

quarter to write-off are the six year old receivables, not seven. We went back and looked and it was intended to be six. On the next page we made a few changes and it really said 'when accounts are determined to be legally uncollectable and are placed on a quarterly write-off list, the list shall be reviewed and approved by the Controller and the General Manager'. We actually don't have a Controller in our job description any more. We changed the job description so it is approved by the General Manager. The approval list shall be forwarded and it said 'forwarded to Accounting for action and to each Commissioner' and nothing else. So we changed it to match what we have been doing, which 'the approved list shall be forwarded and placed on the Agenda at the next District Commissioner Meeting for approval'. If you remember, that is what we do every single quarter. It is in your Board Book and you get to look at it and see it. We used to mark it 'confidential, do not distribute or copy' because it was only going to the Commissioners. Well, now it is being dealt with during a public meeting and not in executive session so now you certainly cannot list it as confidential, do not distribute as it is a public document at that point. And the only other change we made at the bottom of the page matches what we did with Charter revision when we joined the two organizations legally. It said 'active accounts to insure that the balance sheet of the electric unit fairly represents the accounts receivable position.' We changed it to 'electric fund' because that matches the Charter because as you can see this was originally adopted by, on May 18, 2004 which was prior to consolidation, which occurred in November, 2005. So, we made the document conform to exactly what we do now. And nothing else has changed. The practices, the policies, the way we go about doing it is identical and it's what we use at the close of the books each year, we go through and we apply the particular percentage based on the aging of the accounts."

Commissioner Burgess: "Do we have to vote on these individually? I think so."

John Hiscock: "Yes, you have been doing that."

Commissioner Burgess: "Ok, I would like a motion to approve the revised Accounting Policy for Electric Receivables."

Commissioner Ramirez: "I place a motion to approve."

Commissioner Borges-Lopez: "Second."

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

Commissioners Unanimously: "Aye."

John Hiscock: "Ok, under the next tab, which is Non-Residential Electric Account Collections, 4.2." This is our commercial business customers. If you go through the, again the black-lined version is the finalized one, this was originally approved on January 7, 2002 and it was at that time South Norwalk Electric Works because we were separate. As you can see we changed it around to make it South Norwalk Electric and Water, Non-Residential Electric Account Collection Policy. So it is clearly

still electric, it is just that the title of the entity, the business unit is obviously South Norwalk Electric and Water. What we changed was; we changed from 'two weeks' to "fourteen days.' Now, I know that sounds foolish to you but it has to do with the DPUC statute for collections, which is usually a thirteen day notification period so we figured we would give it one extra day as opposed to arguments over business week and all of that. The collections policy at the state, even though they don't apply to our business customers, they only apply to our residential customers, speak in days so we just changed it to days to make it consistent. 'The delinquency notice shall include a summary of the procedures,' we crossed out 'and the potential costs to the customers of the procedures which SNEW will use to effectuate', we crossed that out. "The delinquency notice shall include a summary of the procedures which SNEW may use to effectuate collections,' and that was that. Again, we changed two weeks to fourteen days. We also eliminated the section that says 'or the account is in dispute' and simply added 'has been formally disputed in writing' so it is clear that the dispute has to be explained to us in writing. This is a, I would not call it a substantive change, but it is a technical change and 'shall be placed into the Collection of Delinquent Accounts procedure and the service shall be terminated.' On the next page, it used to say 'at the discretion of the General Manager' we kind of eliminated that and simply said 'SNEW may terminate electric service to delinquent customer, so long as terminations comply with all requirements of state law,' because other people actually do this other than myself. The individuals who terminate service, while they obviously all report to me, it's not something I do routinely. I hear the appeals. And we crossed out the last portion of the sentence, 'at SNEW's option,' the customer shall be charged a shutoff and a reconnection charge at SNEW's standard rates or on a time and material basis. It said at SNEW's option. We didn't want it to say 'at SNEW's option' as we didn't want anybody to think depending on who you were, we might waive the charge. We are consistent when charges are applied. They don't like the charge; they can appeal through the standard appeals process. Then it says 'if any bill remains unpaid SNEW shall institute the following termination procedure' we changed the language around a little bit to say 'SNEW shall use the following non-residential electric account termination of service procedure.' Here it was already fourteen days. 'SNEW shall hang a sealed notice(s) on the property indicating,' we put a proviso in there 'where and when appropriate'. There are certain circumstances where we will not hang a door knob notice. An example, we are not going to hang a door knob notice on the front door of a commercial condominium structure when the unit is way up inside the building and sometimes we can't even get into the building. So, where we can, we do. But we didn't want someone to come back and argue that if we didn't hang the termination notice, we could not terminate them. And, 'if suitable payment has not been made by the scheduled day' we thought that was a little ambiguous because does that mean that at 2 in the afternoon at 5 or whatever, so we said 'before the scheduled day of termination'. We crossed out 'no later than 11:00 a.m.' we believe that was appropriate."

Commissioner Ramirez: "So right now, if I may?"

John Hiscock: "Sure go ahead."

Commissioner Ramirez: "Before the business hours are over, they can come in and pay the bill?"

John Hiscock: "If they pay the day before at close of business (4:30) and pay the bill they are all set for the next day. And the reason we do this and here is why it is done this way, our staff starts earlier in the morning than the business office opens and we will issue termination orders the day before, they will start in the morning and we don't want to get into a situation where somebody will say well, wait a minute now, I am going to run down to the office and pay. Well, our procedures and practices, once the termination order is issued, you are terminated because our people have already been out there and in the process."

Commissioner Ramirez: "It is interesting that you mention that, the reason why it is interesting is because I had a client where this transpired. A person came in and you terminated the electricity services, she actually was in the process of paying and came down to the office and I guess a phone call was placed to one of the managers and the manager said no, we must terminate your services and the lady said, I have the money and am in route to pay. Instead it was terminated and it went through the whole, I mean, in cases like that we must..."

John Hiscock: "We might look at the circumstance and we make a determination. Sometimes what happens is there is a cross in the procedure and there is an argument over who got where first. Did you get to the business office before we got to your house? That becomes a fight and an argument so we word it so that we have the right to do it the way it is indicated here. If in fact somebody comes in and pays and they are terminated later because of a communication problem, we always waive the charge and reinstate. If that occurs we will do that."

Commissioner Ramirez: "The reason why is that there was a child in the house and he was only eleven months old."

John Hiscock: "When there are children in the house, we need to know. People sometimes don't communicate that until after the fact and then use that as an example of why we shouldn't be doing what we should be doing. I mean, I have been there."

Commissioner Ramirez: "What I was thinking is that you folks should be using basically a little common sense based on the circumstance of each individual case. The policy should be in place but even with the policy, you need to keep it a more sociable and diplomatic way to actually assist somebody if they pay."

Mr. Hiscock: "At times, based on the circumstances, reversed termination charges. When I do it there is a detailed memorandum in the file. It is very clear why I did it, when I did it and where I did it because you always want to keep a track record."

Commissioner Ramirez: "You want to be consistent. Absolutely, right."

John Hiscock: Ok, 'unoccupied property is subject to termination shall not be turned on until payment in full is paid on account'. It doesn't happen very often this way. But we are pretty hard-nosed about that because if the unoccupied property is there, there is no reason to demand a hardship; there is no reason to demand anything. You know, plain and simple, you owe the money, pay it. And the last sentence was added under hardship and it says 'the General Manager shall assess the risk of non-payment when declaring a hardship.' Hardships are fine when you get into a situation where there are residents in a dwelling unit, you deal with that issue. It is kind of hard to claim a hardship in a business but there have been circumstances where you will get somebody who has a business cycle that you recognize and you know that they are in a portion of a business cycle where, yes they will probably have a significant amount of cash two weeks from now. There are certain businesses where that is reasonably common. So, we added this sentence primarily to indicate that if, even though there is a business cycle, it appears to us that there is a significant risk of non-payment. We are not going to issue a hardship determination. It's just one of those things that you really have to, businesses and usually restaurants and bars, you know will come in and say, we are having problems, this and that, it is a hardship on us and we can't do this and we can't do that, but yet you look at their payment history, you look at their business, you know what if you string them along, the bill is only going to get bigger so you simply say no. It is just the way it has to be. And those are the changes we are proposing. Not huge changes, but there is some significance to them."

Commissioner Burgess: "A motion to approve the Non-Residential Electric Account Collection Policy."

Commissioner Borges-Lopez: "I move to accept the Non-Residential Electric Account Collection Policy."

Commissioner Burgess: "Second?"

Commissioner Mann: "Second."

Commissioner Burgess: "All in favor."

Commissioner Geake: "Aye."

Commissioner Burgess: "Opposed? Abstentions?"

[No Opposed or Abstentions]

Commissioner Burgess: "Ok, Cash Management Policy. I only see here a change in signatories?"

Mr. Hiscock: "Just let me get to the change page. You will see that the four individuals authorized

by the Commission shall generally be the Treasurer, the General Manager, we crossed out Comptroller and replaced it with Financial Analyst and the Director of Administration and Customer Service. So..."

Commissioner Burgess: "Any questions regarding that?"

John Hiscock: "Just to let you know, the Financial Analyst is Mark Harris and he used to be the Comptroller. So there is no change other than the job title."

Commissioner Ramirez: "Ok, I do have a question if you don't mind. On payment of invoices, number 2, the General Manager shall review each voucher and sign off. Is that exactly what transpires?"

John Hiscock: "Just to give you a detailed explanation. We have a voucher sheet that goes on every voucher. It is signed off first by the department head, who is responsible for making sure that the product was received with the appropriate receiving ticket, by the person who received it, and not everything has a receiving ticket but sometimes it is services that don't get delivered. They assign an account number so it goes to the correct account. Accounting then puts them all into a batch for the week. That batch comes to me. I review it from a, sort of a checking perspective, and I don't mean a checking account perspective. Examples, I pretty much know every bill that we pay in the company and if it is an electric bill and it is consistent, I am not going to review the electric bill, if it is consistent with the normal usage for the account. I am just going to go through it. Other times I will go through it in detail and check every document to make sure everyone is doing what they are supposed to do. From there it goes back to accounting and..."

Commissioner Ramirez: "May I, sorry how frequently does it happen that you have to review a little more thoroughly just to see how everyone is doing?"

Mr. Hiscock: "How frequently?"

Commissioner Ramirez: "Yes."

Mr. Hiscock: "Randomly and I don't want to be predictable. Sometimes monthly, if we are having a problem in a specific area to review in detail if I don't particularly like what I am seeing out of that work group, that may happen. Examples of things that I look at really carefully are; automobile repairs because they are very hard to predict. You can't get an estimate up front. If you do, it is usually a change order or something else. Those you look at pretty carefully. Utility bills you don't look at. I am trying to think of other things. Continuing suppliers, if you are purchasing software, licenses, renewals, you know what they are, you know what they generally are. You are not really looking at the fine detail. You know you own the software, you know you need the license; you know you need to do that. So, it depends on what it is. So it varies and, if I get into a situation where somebody is not doing a very good job and I catch it, which I usually do, then that grouping

gets looked at much more frequently. So, it is just judgment on my part, just a control mechanism. From there essentially it goes back to accounting and generally the two parties that sign the checks are the Financial Analyst and the Treasurer. I don't sign checks very often. I would say you would see my signature once every 6, 8, 10 weeks."

Commissioner Ramirez: "When you look at gas payments. Do you have one gas station that everybody goes to or do you have more than one station where even the employees, the ones who have cars as well as daily workers?"

Mr. Hiscock: "We have our own fuel system. We have a gasoline tank and a diesel tank. We had a fuel management system that was old and failed. Several years ago we put into the budget a new fuel management system that has been installed. It's fully computerized; you pull up to the fuel pump..."

Commissioner Ramirez: "So everybody goes to it?"

Mr. Hiscock: "Everybody goes to it except for if you are significantly out of town on business and you need fuel. One of two things will happen. Our employees go to say, Milford, Massachusetts to the New England Water Works Training Sessions and they will take a company vehicle. We would prefer that because mileage is expensive. If they need fuel, they will pay on a credit card and they will provide us a receipt. For those individuals in the company who have company credit cards and there are four of us, if they are in the same situation, they will use a company credit card for fuel and then it goes through the company credit card system and everybody has to sign off and identify where they go."

Commissioner Ramirez: "Ok, that was what I was looking for."

Mr. Hiscock: "Ninety-five percent of the fuel goes to the fuel management system. You enter a pin code, then it tells you to enter your key FOB, which goes into the machine and then you enter your mileage and then you enter your pump."

Commissioner Ramirez: "I was kind of referring to the outside, when you are traveling outside. So, definitely that account will dictate basically what state and what city that account was utilized."

Mr. Hiscock: "Absolutely, there is always a receipt. You are required, if you are going to get reimbursed, there has to be a receipt."

Commissioner Ramirez: "Thank you."

Commissioner Burgess: "Excuse me. I don't see how this applies to what we have to vote on?"

Commissioner Ramirez: "You don't see it?"

Commissioner Burgess: "No I don't."

Commissioner Ramirez: "It is just a simple explanation where it says the General Manager shall review all of the vouchers himself."

Commissioner Burgess: "I don't think we have to question the General Manager so..."

Commissioner Ramirez: "It is a simple question pertaining to every account is payable to this. It is a simple question and I think I got a very excellent review."

Commissioner Burgess: "Ok, you got it so I don't think we need to continue."

Commissioner Ramirez: "Well don't tell me that you don't see it. It is a simple thing."

Commissioner Geake: "Through the Chair. On the page 28, the fourth section, 'Communication to District Commissioners' believe it or not there is a correction that needs to be made because immediately mailed instead of emailed and then..."

John Hiscock: "You are absolutely correct."

Commissioner Geake: "And then at the bottom of it where it says mailing, then it should be emailed again."

Mr. Hiscock: "Yes, email/and/or mailed and it belongs there."

Commissioner Geake: "Ok, I just figured what we have gone through."

Mr. Hiscock: "Yes, it is appropriate. I agree that that belongs there, where it says mailed, it should say mailed and/or emailed. Ok if you will accept than change to the document that would be good. You are absolutely correct."

Commissioner Burgess: "Is there a motion to approve the Cash Management Policy including the last change?"

Commissioner Ramirez: "I accept the motion, yes. The policy as presented to us."

Commissioner Burgess: "Thank you, is there a second?"

Commissioner Geake: "I Second it."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Now we need to move into the Executive Session is that correct?"

Mr. Hiscock: "Yes we have two contracts..."

Commissioner Burgess: "Excuse me. Go ahead."

Commissioner Geake: "I was going to suggest is that since we have the public, if we could move the section of having the public speak so they don't have to wait for us to finish the Executive Session. I think that would be appropriate."

Commissioner Burgess: "I agree with that. Do I need a motion to do that, no?"

John Hiscock: "No, it is informal; you can just waive the Board."

Commissioner Borges-Lopez: "You can just waive the..."

Public Participation:

Mrs. Christopher: "We were just here to listen to you guys. We are not going to say anything, just listening."

Commissioner Geake: "I didn't know."

Mrs. Christopher: "So, if you have to go into an executive meeting, we can leave."

Mr. Hiscock: "Yes, we will not go back into a regular session this evening, we have two contract issues to deal with that we are in the process of negotiating as the Agenda says. One is a special contract for electric service and the other is final design contract for a Substation."

Alexander Christopher: "I have a question."

Mr. Hiscock: "Ok."

Alexander Christopher: "If you don't mind."

Commissioner Geake: "Could you say your name for the record?"

Alexander Christopher: "Alexander Christopher, regarding security. When opening up an account you have to put a security deposit down and then you get it back when you close the account, but you have so many charges against the deposit, I don't understand why you are taking away money from the security deposit once the bill is paid?"

Mr. Hiscock: "I would have to see the specific account but that is not what we do. When an account is closed, we go out and read the meter and then tally up the final bill and we deduct the final bill against the security deposit. We literally take the security deposit, credit it to the transaction history and balance it out between the final bill and the credit balance."

Alexander Christopher: "I understand that but I have here something that, if you don't mind looking at it. Would you mind taking a look?"

Mr. Hiscock: "I can look at it quickly to avoid you having to come all the way back to the office."

Alexander Christopher: "I have it here. You can see all the deductions. I just want to understand. If it is ok, it is ok and I am not going to make a big issue out of it. But I just want to understand it anyway."

Mr. Hiscock: "This is a final bill through the 21st of March and it includes all of the electric used between February 25th and March 21st. The deductions were \$15 for the final read because we had to go out and read the account. There is previous payment and previous balance and all of a fairly small number of charges for the conservation fund, the customer service charge pro-rated for the number of days per month, the energy charge of \$6.02 and a tax charge. It has to do with the timing of when you closed the account in relationship to the normal billing period. It is the last few days on this account."

Alexander Christopher: "The bill was paid in full."

Mr. Hiscock: "It was paid in full the previous month, I can see that."

Alexander Christopher: "What I cannot understand, if you don't mind me telling you, one of the things that bother me is your needing a security deposit down to rent an apartment, especially for a person with special needs. I have to have a security deposit for damages but the full amount comes back to the tenant, plus if any interest. On this here, it works the opposite way."

Mr. Hiscock: "It does because we would have to hold your money until you pay you bill, zero the account and send you back the full deposit. We find that difficult and cumbersome and most customers would prefer it this way. As far as we know, based on experience, most customers would prefer that we deduct from the final bill directly out of the deposit and return the balance because it makes it quicker."

Alexander Christopher: "Yes, I don't do it. I pay the bill anyway."

Mr. Hiscock: "There are charges here on this bill that you hadn't paid."

Alexander Christopher: "What?"

Mr. Hiscock: "There are charges here that you had not paid."

Alexander Christopher: "Like what?"

Mr. Hiscock: "I just listed them to you. You are going to have to come into the office and go over this in detail with me. I will go through it for you line for line, but it is going to take some time for me to do this and I don't think the Commission should have to wait."

Commissioner Borges-Lopez: "No."

Alexander Christopher: "What I don't understand the bill?"

Mr. Hiscock: "These are the charges right here, the \$15 read charge and these charges are the ones for the month of March, for the portion of March between the February bill and the March bill."

Alexander Christopher: "That was paid."

Mr. Hiscock: "You paid the February bill."

Alexander Christopher: "And the last bill I paid in full."

Mr. Hiscock: "You paid the last regular bill in full but you didn't pay for the portion of the month of March."

Alexander Christopher: "Well here it has a service charge, fund charges, gross revenue tax; things like that. I don't know what that means?"

Mr. Hiscock: "You pay a gross revenue tax on every bill you do."

Alexander Christopher: "This is a deposit. I shouldn't be paying any tax."

Mr. Hiscock: "I don't believe you are understanding me. I am simply saying that you had a final bill due for the portion of the March month. A portion of March for that month that you had service for those 21 days or 22 days. And you had paid the February bill completely. I can tell because it was discounted."

Alexander Christopher: "Anyway, let's not worry about it."

Commissioner Borges-Lopez: "Thank you."

Commissioner Geake: "Thank you."

Mr. Hiscock: "Ok, We need a motion to go into Executive Session for the Special Contract Electric Service and Final Design Contract Substation."

Commissioner Ramirez: "I will place a motion to go on."

Commissioner Geake: "I second it."

EXECUTIVE SESSION:

The District Commissioners moved into Executive Session at 7:40 p.m. The purpose of the Executive Session was to discuss a Special Contract for Electric Service and the Final Design Contract Substation.

Present in the Executive Session were Commissioners Burgess, Borges-Lopez, Geake, Mann and Ramirez; General Manager, John M. Hiscock and Assistant Clerk, Gwendolyn Gonzalez.

REGULAR SESSION:

The District Commissioners returned to Regular Session at 8:38 p.m. The following was the result of the Executive Session:

Commissioner Burgess: "We are back in Regular Session and as a result of the Executive Session no action will be taken and now if we can have a motion to adjourn, correct?"

Commissioner Borges-Lopez: "So moved."

Commissioner Ramirez: "Second."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Adjournment:

The meeting adjourned at 8:40 p.m.

Attest:

Gwendolyn Gonzalez
Assistant District Clerk

Transcribed by: Lisa Roland