

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting
September 18, 2012

Present:	Mary Burgess Al Ayme Maria Borges-Lopez Mary Geake Sherelle Harris Mary Mann César Ramirez	Chairman Vice Chairman Arrived 7:06 p.m.
Also Present:	John M. Hiscock Lisa Roland	General Manager Acting District Clerk

Call To Order:

Commissioner Burgess called the Regular Meeting of The Second Taxing District Commissioners to order at 7:00 p.m. on Tuesday, September 18, 2012. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Acceptance of the Minutes:

Commissioner Burgess: "Mr. Hiscock, we have a quorum, correct and it is 7 o'clock?"

Mr. Hiscock: "Yes, we do."

Commissioner Burgess: "So, I will call the Second Taxing District Commissioners, Regular meeting to order, Tuesday, September 18th at 7:00 p.m. and I need a motion for acceptance of the minutes of the Special Meeting of March 8th and the Regular Meeting of August 21st."

Commissioner Geake: "So moved."

Commissioner Ayme: "Second."

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

Commissioners Simultaneously: Unanimous "Aye"

Commissioner Burgess: "Ok. There is no public participation."

John Hiscock: "But, at least it is at the top of the Agenda."

CONSENT AGENDA

Commissioner Burgess: "A motion to approve the Consent Agenda?"

Commissioner Ayme: "So moved."

Commissioner Harris: "Second."

Commissioner Burgess: "Any discussion?"

Commissioners Simultaneously: Unanimous "No"

Commissioner Burgess: "All in favor?"

Commissioners Simultaneously: Unanimous "Aye"

Commissioner Burgess: "Opposed? Ok. Regular Agenda, SoNo Neighborhood Association's Thanksgiving Celebration."

REGULAR AGENDA

SoNo Neighborhood Association's Thanksgiving Celebration

Mr. Hiscock: "I think we have all seen this request in prior years. It was part of the discussion that we had at the Annual Budget Meeting and at the second go-round of the annual budget meeting but because we included in the \$7,500 Community Service Budget, not as a line item, it requires Commission approval too, if we are going to expend the funds for this event. There's a letter from David L. Shockley in your Board packet. As you know, we run this through the neighborhood improvement coordinator, assuming we are not dealing directly with the individual in question. Not because that's a problem, but simply because they are geared up and able to deal with this type of an event."

Commissioner Burgess: "And may I add that it is a 501(c)3, non-profit under Keep Norwalk Beautiful...is it John?"

John Hiscock: "Yes. I can't remember the name of it. It's the group that's the off-shoot of the redevelopment authority that David Shockley works for."

Commissioner Borges-Lopez: "Was the community fund reduced from \$7,000, I believe to \$3,000?"

John Hiscock: "I don't have it in front of me, unfortunately. I don't have the budget."

Commissioner Borges-Lopez: "I thought it was."

John Hiscock: "But, there is a sufficient amount of money to cover it. Yes, there is no doubt about that. You have not drawn on that and it started in July 1. Unfortunately, I don't have the budget with me. Sorry about that."

Commissioner Burgess: "Any other questions on this? Is there a motion?"

Commissioner Harris: "So moved."

Commissioner Geake: "Second"

Commissioner Burgess: "Second. "All in favor?"

Commissioners Simultaneously: Unanimous "Aye"

Commissioner Burgess: "Opposed? Abstentions? Ok. Thank you. Mr. Hiscock you're on."

John Hiscock: "If you will take one? You have seen this in earlier versions we just keep updating it as things happen. So I am not starting on the first slide, you have seen the first, second and third. You have seen way too many...way too many times. Let's put it that way. Ok. This is the Substation and I want you to know where we are. You have seen all of this before. It is all very familiar to you. Ok, we will start right there because we've added to this slide. I have a few more behind it. We acquired the parcel; that's clear, it's paid for and I'm talking about the second parcel. The first one came as part of the City of Norwalk. We hired a Mott MacDonald to do a Siting Council application, we have advised CL&P, we have met with the Southwest Connecticut Reliability Group, we have met with Siting Council staff, we have demoed the building, we have received the I.3.9 interconnect approval from ISO New England, we have met with the City of Norwalk officials,

the Mayor, the Director of Planning & Zoning, and Corporation Council to initiate a presentment of the substation project in February of 12. Now, we submitted the Municipal Consulting Filing application to the P&Z on 4/19/12. We presented the application at the Plan Review Committee in May. City of Norwalk Planning & Zoning approved the Municipal Consultation Filing in May. We have completed and submitted the Siting Council Application, not until September. We had considerable delays with respect to work being done by the EMF Consultant. It's a mandatory portion of the Siting Council Application. We were pretty disappointed in the delay and then we had a go-around between CL&P, back and forth with CL&P and EMF Consultant. We finally got it all straightened out. The report came back with exactly what we expected. The background that exists is significantly more than what we're going to cause considerable, negligible, we are almost not even calculable, it is so small and we are so far below the standards there is no reason to complain. EMF is the...you know, the electric field around transformers and high tension wires and electric facilities. It's interesting because replacing it in the high tension 115kv corridor and its right where the rail line is and all of the electrification for the rail lines so it is right in the middle of a pretty intense location anyway but that's moved along. What are we doing now? We are developing a Soil Boring Plan for structures and environmental remediation. If you recall, I think, or I can review it with you too, that when we first acquired this parcel, we went through a phase one, a phase two and eventually a phase three environmental study. We determined that there were some minor, but minor areas of pollution, mostly lead and arsenic, mostly lead and arsenic and a potentially small amount of violates. We gave a plan to the State of Connecticut through a licensed environmental professional that we would deal with the environmental issues during the beginning of the construction of the substation. Because we are dealing with providing an easement to CL&P and if we had two choices with respect to environmental remediation, we could have put an environmental restriction on the site or we could have cleaned it up. We chose to clean it up and the purpose of the soil boring plan for the structure's environmental remediation is to definitively delineate the amount of soil that must be removed from the site. That is quite a few hundred thousand dollars. In the end, we are removing the soil from the site and cleaning the site up after the initial clean up it is about a year or so before the DEP signs off. We will not have an environmental restriction on the site. So, we have met several times, we have talked to the boring contractor, we have a proposal and we should be starting within several weeks to do the boring plan. Once the boring plan is done, we'll know the extent of the soil to be removed and if there are any other issues, we'll have an idea about the foundation, carrying capacity of the soil and that shouldn't be an issue as they are very, very light structures and at that point we will put out a bid for the cleanup of the site. The material is not rather difficult to get rid of. It's not something that is a problem. Lead and arsenic can go into just about any reasonable landfill that's approved for so it's not a problem. It will go some place in New England. It will get trucked and there will be a significant number of 20 yard dump truck with the long, long bodies on them. So that's where we are on that issue. We are getting prepared for a public hearing on the Siting Council Application. Siting Council has acknowledged receipt; the notification to the abutters has been given by our

Siting Counsel's attorney, Andrew Lord of Murtha Cullina, we have had, and I don't know the extent of it as it because it went straight to Council's office. We had contact from an individual and we are providing that individual with the information. We actually gave him a copy of the Siting Council application. We are still dealing with the final design engineering firm. We haven't made a choice. We have talked to CL&P's design firm because CL&P preferred that we use their design firm. They didn't want to use ours although our design firm has actually done work for CL&P, also. But they have ongoing contracts and while they changed their proposal considerably, based on discussions with Scott Whittier, we still haven't made a final decision on which way to go with that. We are dealing with CL&P and we are negotiating easements right now, we have to give an easement to CL&P for their portion of the station, their portion is the three big poles along the railroad right of way and the A-frame style structure that feed the breaker switch and relays that are required in the 115 line. You probably recall that there's going to be a breaker in the 115 line, we have a looped feed. So, if there is a failure in either direction or there's maintenance in that direction, that breaker opens up and our Substation get feed from either one side or the other for redundancy. We also will have two transformers and two feed lines coming over to our site here. So, we will have a tremendous amount of reliability. We are still negotiating, as I said, with the design contractors. Once we make a choice, if it is not the same design contractor or design firm that CL&P is using, we will then have to work a memorandum of understanding between the parties so everyone understands who is doing what to who and the timeframes. CL&P is being extraordinarily cooperative. They are being cooperative for quite a few reasons but one of them is they need the facilities they currently feed us with the 30MVA transformer on Flax Hill, they need for their own system. So they are more than happy to get us off. So they are being very happy. The negotiations with UPS has moved from our work over to CL&P because those negotiations have to do with a CL&P Pole along the tracks adjacent to the UPS property. The interesting thing is that UPS only owns the building; they don't actually own the property. The property is owned by a local, corporate entity that has been in Norwalk since the 50's, I believe and it's my understanding that they have come to an agreement. The cost of that easement from the owner of the UPS property gets paid by CL&P and it goes into the RNS Greater New England, the PTF we don't pay for that. And finally we met with CL&P to look at the plan, decide exactly the points of service, who owns what, who owns the fence line, the size and the area of the easement and all of the other facilities, so we had a lengthy meeting. We're in agreement; we just haven't put the agreement to paper yet. It should happen very shortly. So, we are moving and it is moving along reasonably well. What needs to be done? The actual environmental cleanup and obviously, the final design. Now, next issue; move the existing storage yard. We have a lot of pad mounted transformers, pad mounted switches, pad mounted primary metering gear, a large number of can style, pole mounted transformers, poles, stand-offs equipment in that yard. We are going to have to move it all. That's going to be an issue. We have existing areas where we can move it to. We will be moving it, hopefully, over the next several months. This location is in an industrial one zone; our storage yard

is a permitted use by right. We will be moving some of the equipment to the paved area that got paved when we put in the temporary generator in the summer of 2003, the TM2500 for CL&P.”

Commissioner Ayme: “Back here?”

Mr. Hiscock: “Yeah”

Commissioner Ayme: “Yeah, back here. Right.”

Mr. Hiscock: “You remember it used to be a grassy area? We negotiated, once the soil was taken out, to put a relaying wall in and it’s now a big parking lot. We’ll be talking to Planning & Zoning about it and seeing what their reaction is. Other than the poles and I am talking about the wood utility poles and the lighting poles, we can’t move most of this equipment to Water Street because Water Street is subject to flooding and this is very expensive electrical equipment. So it won’t be able to go there. We’re not inclined to move it to Lawrence Street. We pulled it out of Lawrence Street because, if we go back to the old Lawrence Street Substation and put transformers in, we need a spill plan, we need containment because they all contain oil. Even though it is non-PCB mineral oil, it’s still required. So there is going to be some costs involved in that. First step, we will end up talking to P&Z about our issue. We have a fallback position and that fallback position is moving a significant amount of this material inside the existing power plant. There’s a lot of material in the power plant that’s abandoned in place that would have to be stripped out but if our discussions with P&Z don’t go as well as I think they are going to go, our fallback is to remove the abandoned, in place material in the old power plant located indoors. It’s probably the preferable thing to do. So, it’s going to be an issue and that’s what we are going to be working on over the next several months. Any questions at this point?”

Commissioner Geake: “Through the Chair? Would it be, in the long run, better to put them into the place rather than, what you were saying, you have to go through P&Z and things like that?”

Mr. Hiscock: “I think in the end, another project that we have moving, we are separating the substation control platform inside the old power plant. There is an amount in the budget for about \$500,000, with that, we plan on putting a separating wall. We have an architect working on that with us right now, changing some of the fireproof doorways, we have a roofing consultant that’s looking at our roof. It leaks significantly, so that we can improve the roof and the windows are old, drafty and leaky. Some of them are broken and in very bad condition. Those windows need to be replaced. All of this can be done for the \$500,000. We need to do that because we are putting very, very expensive reeling equipment in there. As soon as we move that project, we are going to look at issuing an RFP for removal of the old engines. The old abandoned engines in that facility, so

that will be the next phase. I told you before that we are not inclined to put anything permanent inside of that structure because we have certain rights with respect a brown fields, power project and declaratory ruling if somebody wanted to say, put a fuel cell in there or along that line. But storage in the interim is not a problem. So, if we do that and we don't think it's going to be very expensive. It actually, depending on the economy, which it obviously doesn't look very good, scrap steel, three years ago was pretty expensive and we were actually were looking at breaking even or turning a small profit on the scrap inside right now is going to be the other way. It is going to be a small cost or a break even, which isn't too bad. So, that is sort of...yes, preferable to do that and it could be fairly long-term storage. Obviously, cable, switches, transformers, do better indoors.

Commissioner Ayme: "Yes, through the Chair. What benefits do you see in terms using CL&P's contractors as opposed to?"

Mr. Hiscock: "Coordination...less coordination between the two design firms. I don't want to go on the record with the difference between the two of them but while the difference is now two-thirds of the original difference that was quoted, we're still a significant amount of dollars between the two design firms. And part of it is because the design firm that we used to the Siting Council Application is so familiar with our facility and had to generate a large amount of work, plans, specifications and information during the Siting Council Application, they have a leg up on somebody else and that's why there is a difference. I think we'll put up with coordination problems to save the money."

Commissioner Ayme: "In terms of the easements that we are providing CL&P, are we getting paid?"

Mr. Hiscock: "Yes."

Commissioner Ayme: "Can you say how much?"

Mr. Hiscock: "No."

Commissioner Ayme: "Good."

Mr. Hiscock: "Let me explain to you exactly what is going to happen there so you understand. Their portion of the station is going to be PTF, pool transmission facilities. When we got our I.3.9, we indicated that we were going to own the facilities but that they were going to be PTF. ISO New England accepted that. We will go back in and modify our agreement with ISO New England; it's actually called a PPA, which is something Project Authorization. There is a whole bunch of PPA's, you know the one we have for the power adjustment, so that they will own that section and they will be putting it into the RNS rate, the regional network service for New England. But, all of their costs, including land acquisition, environmental issues and all of that, get to go into the cost of the project. So, what will happen is, we will make a proposal to them about the value that we have in the site on a shared basis, maybe square footage, who knows, maybe design value, I am not sure, they will then evaluate whether or not they believe the price is fair and if the price is fair, based on...and we get to put all of our work in acquisition, legal, environmental because it is all site acquisition that they would have had to pay for, and will attempt to negotiate a reasonable payment."

Commissioner Ayme: "Has all of this been negotiated?"

Mr. Hiscock: "That issue will come back to the Commission."

Commissioner Ayme: "Ok. Alright"

Mr. Hiscock: "Ok. That clearly will come back to the Commission; we will not do this on our own, this is clearly a Commission decision. Because we are doing it in an easement format, the legal counsel has in the past ruled easements are not a sufficiently close to a sale, to trigger electric approval. We haven't gone back over that issue with them recently. But, as you probably are aware, we....or maybe not, Chairman Burgess, when we did the exchange of easements for the railroad station parking garage, we didn't exchange land, we exchanged easements because of the Elector issue, and not to say that we are trying to bypass the Electors, but other than that it could have ended up with a big eminent domain fight between two parties within our domain and that would have not been good."

Commissioner Ramirez: "Forget about it."

Mr. Hiscock: "So that was the methodology used and we are going to handle it the same way. It will be a permanent easement to the extent of one; they are using the land for transmission purposes, it would essentially be an easement in perpetuity and there will be reversion rights to us. If they don't, there will be a whole series of environmental disclosures and requirements on both sides. We will give it to them clean. They will return it to us clean, but it's highly unlikely it will ever come back because of the fact that the transmission system just never goes anywhere. The railroad isn't going to move and overhead lines aren't going to move."

Commissioner Ramirez: "It is what it is. It is going to be there forever."

Commissioner Ayme: "On that basis...the negotiations in terms of the payments, has not been finalized."

Mr. Hiscock: "Absolutely not."

Commissioner Ayme: "Ok"

Mr. Hiscock: "We haven't even been able to accumulate all of our costs yet to even set a price. We don't even have an idea."

Commissioner Ayme: "So, based upon your remarks right now, I am hoping more than assuming, that the funds that we are getting in return will be substantial. When we ran into this project, we knew that we had some cleanup issues at the site, we knew that. From the remarks that I hear today, I think...I feel that the cleanup is more substantial than we had anticipated. Am I correct? No?"

Mr. Hiscock: "No"

Commissioner Ayme: "Ok, basically the same?"

Mr. Hiscock: "Basically it is the same. This round of borings, we might find something different than the first round. We don't believe so, we are hoping not. The issue is a portion of the land behind the original residence was filled so that the garage could be built for the repair shop and it was filled like everything that used to be filled with, anything you could find. It turns out that there is a significant amount of ash and that's really where the lead and the arsenic come from, and most of the land along the railroad line does have arsenic because of the old railroad ties. If you recall the two houses that the City acquired through tax foreclosures on South Main Street that backed up to the rail line. They were going to put parks in and they couldn't because the environmental cleanup was so expensive and it was arsenic. So, we are right along the main line and when we did

the removal of the soil here, we spent quite a few hundred thousand dollars to pull the soil out and have it incinerated to bring it to standards and put it back into a land fill. Everything along Martin Luther King corridor has fill that's related to the rail road area and the old power plants and everything else and that fill moved all over the place during Martin Luther King's construction so, virtually all of it has that kind of material."

Commissioner Ayme: "Here is my last question. In terms of the storage at the site, we still have the turbines there right? We still have the diesel turbines there."

Mr. Hiscock: "Yes. We still have...they are actually not diesel turbines they are reciprocating engines. But yes. We still have them there. First phase will be trying to sell whatever is usable. The Nordberg diesels are used in two or three power plants in New England and in the past we have been contacted by them and we have actually sold parts off of them."

Commissioner Ayme: "We have?"

Mr. Hiscock: "Yes. So that's the first step. The valuable parts will be sold off and then whatever is not valuable will end up as scrap. Think about the scrap, the generators themselves are full of cooper. Cooper is a big..."

Commissioner Ramirez: "Very expensive."

Commissioner Ayme: "Right. A very valuable commodity."

Mr. Hiscock: "Very valuable."

Commissioner Ayme: "Right."

Commissioner Ramirez: "And we don't have to go that far to sell it."

Mr. Hiscock: "Yeah, it will..."

Commissioner Geake: "Sell itself."

Mr. Hiscock: "Yeah, but considering how much value there is, this has to be a bid project. We will simply bid this out and evaluate the bids because trying to negotiate with one or two scrap yards wouldn't make much sense. We may end up with a firm not even from New England. There's that much material there."

Commissioner Ramirez: "Wow."

Commissioner Ayme: "Ok. Thanks."

Commissioner Burgess: "Any other questions?"

Mr. Hiscock: "What's left? Construction Substation – conduit and conductor installation. We had the conduits at Martin Luther King. We do not have conductors. Conductors are the wires. We have all of the conduits we need to get one path to the new substation to the existing substation underground without disturbing Martin Luther King other than being in the manholes.

Commissioner Ramirez: "Very nice."

Mr. Hiscock: "SNEW thought ahead, that made sense. That happened way back."

Commissioner Ramirez: "You will save a lot of money."

Mr. Hiscock: "Yeah. And it was well before I was involved. In the 90's that, that happened. The second path, however, needs to go from the new Substation under Martin Luther King where...we're going to look at drilling, bring it under, we are going to come up at Old Ely Avenue and run a conduit down back Old Ely Avenue. The gas company is currently working; by the way, they are redoing their gas line, down to the intersection of Mulvoy where we will join some existing facilities. So that needs to be done. And the existing State Street Substation needs to be modified. We have four transformers, two of them will be eliminated completely because the transformers will be in the new substation the 13.8 portion; we will have to bring in two new transformers, 13.8 to 4160 because we have a significant number of 4160 circuits which we are slowly changing to 13.8. Eventually there will be no transformers here at this site. It will simply be switch gear. That will be a good thing. And then in-service – we originally wanted the fall of 2013 in-service date, we are not sure that is going to happen. It may be spring of 14, we are not sure. But that is the timeframe. We are meeting with CL&P in about a month or so to talk about our in-service date because it has to do with the WDA Contract they negotiated for the feed lines and the first exit point is November, 2013 and then it is on an annual basis. So, we will be talking to them about that issue. TTD (Third Taxing District) is also doing the same thing. You have seen the picture before. Ok, where are we with money? We have over the three budget years that you see; we have \$2.5

million allocated for the project. We think it's going to carry us pretty much along except for construction. Costs to date, \$900,000 for the land, site work \$65,000 which includes taking the buildings down, soil boring prep work, Siting Council Application, \$375,000 and so total to date we have spent about \$1,340,000 so you can see that we still have \$1.1 and change."

Commissioner Ramirez: "Through the Chair. Why so expensive; the Siting Council Application?"

Mr. Hiscock: "Siting Council Application?"

Commissioner Ramirez: "Yeah, it's a lot money."

Mr. Hiscock: "It is a huge amount of money. The electrical engineering study to prove to ISO New England and the other parties, which obviously are CL&P and UI and National Grid and everybody else in New England, is very complex engineering and they have to study a lot of contingencies. What happens if this line goes down, what happens if that line goes down? We have to prove that we are not a detriment to the system. Because if we are a detriment to the system, we have to make improvements so we are not a detriment. We ran into a little problem with LIPA on Long Island. That cost us a fair amount of money in that study because they asked for some additional contingencies because of the cross-sound line that goes from Manresa to Northport. They are generally a receiver, well, they receive power sometimes and they supply power sometimes over the line. They wanted to make sure, we couldn't convince them otherwise, we think it has to do with politics you know between the two, ISO New England, LIPA, Long Island Lighting, Long Island Power Authority is not part of ISO New England; they are part of the New York. Ok, so the little politics between New York and Connecticut came into play. That cost us some money. The EMF Study, which I am going to make an editorial comment, is a waste of money. I don't know of a single facility that has ever been turned down by EMF, but it is one of those public fears that's very expensive. It is very; very complex physics and you have to study a whole pile of conditions. A lot of drawings, a lot of site plans, a lot of information. A very long process. The Siting Council Application is going to be on our website. When you take a look at it, you will see why it's that kind of money."

Commissioner Ramirez: "I can see that."

Mr. Hiscock: "Final design – we've got \$450,000. I will tell you that's a ball park number because we are still negotiating with people and we are not going to put up the prices. Site remediation - that is our estimate – about \$400,000 to move the soil and have it properly disposed of and the construction costs we are estimating at \$7 million. If you recall, I talked to you about \$10, \$11, \$12, \$13, \$14 million if we were going to own the entire station. It's a savings to us. We won't be

getting the 13% return on the \$7 million however, in the end; I think this is the best way for us to go financially. So you can see that, by the time we are done with this project, it is a good \$8.5-\$9 million. It's a large amount of money. We still haven't made a determination whether it's a bonding situation or not or its taking it out as cash or a combination and because of the negotiations with CMEEC and the Power Sales Agreement, I don't want to talk more about that on the record. If anybody wants...it is a little premature we need another two or three months before we come back with that information. Again, that information will come back to the Commission. That's a fairly complex process. We'd like to get a little further into design before we make that determination."

Commissioner Ramirez: "I don't know if it is fair, to ask this question. If you have perhaps, personally at this point, have you sat down with any fellows (that is what I will call them) how long will it take for us to get all this money back and then start to make a profit?"

Mr. Hiscock: "I will give it to in avoidance mode, we will avoid right now about \$750,000 a year in expense and as of November of 2013, we estimate that will grow to \$1-\$1.1 million."

Commissioner Ramirez: "Per year?"

Mr. Hiscock: "Per year and it will escalate because the existing lines are in such poor condition, that eventually they are going to have to be re-cabled so it wasn't even...the economics were so clear it didn't take a very rigorous analysis."

Commissioner Ramirez: "To figure that out."

Mr. Hiscock: "Yeah. "The payback is really quick. The payback is less than 10 years for a facility that will last 40."

Commissioner Ramirez: "Next year you will already be over \$1 million absolutely within 10 years we will be making a profit."

Mr. Hiscock: "And that is it. Any other questions about the substation? And again, it will come back to you in pieces here and there. The easement negotiations will come back to you, the bonding question will come back to you for approval, all of those financial things come back to this group and eventually to the Electors with respect to the substation."

Commissioner Ramirez: "When it comes to the City itself, similarly you have to go and present all of this information to the Common Council?"

Mr. Hiscock: "No."

Commissioner Ramirez: "No?"

Mr. Hiscock: "We are not going to...well I can't speak for the Commission. I shouldn't try to speak for the Commission. We will not recommend that we..."

Commissioner Ramirez: "I was not saying recommending, I was saying is it a requirement? I might be omitting something."

Mr. Hiscock: "No. We have always bonded and borrowed money on our own without dealing with the City at all. The First Taxing District recently piggy backed on a City of Norwalk bond issue because they never had a bond rating. They have no track record. They have no history and that was going to be expensive so they chose to save the money on that and deal with the City. We have a bonding record. We have always used bonds."

Commissioner Ramirez: "I am sorry continue. But we are restricted under the zoning regulations?"

Mr. Hiscock: "Oh I thought you were talking about the financing end of it."

Commissioner Ramirez: "No, no. The site itself, the requirements."

Mr. Hiscock: "The City has already waived on the zoning."

Commissioner Ramirez: "There is nothing else?"

Mr. Hiscock: "They already send their letter saying they reviewed the plan, they sent their letter to the Siting Council saying that they reviewed it and as long as the landscaping plan is consistent with what was submitted, they are happy. I thought you were talking about the financing end of it."

Commissioner Ramirez: "No, no."

Mr. Hiscock: "Ok. We have a bond rating. We have a very good bond rating. We are AA1, which is one step below the City. Because we are underlying debt, we have to be one step below the City."

Commissioner Burgess: "Any other questions?"

Commissioner Ramirez: "No mam. Thank you. At least on my part."

Commissioner Ayme: "For the Chair. [Directed to Commissioner Ramirez] I just want clarification on your question? What were you talking about regarding the City? Can you repeat it?"

Commissioner Ramirez: "I was presuming that for the final conclusion that if we would need any approval from the City itself with regard to zoning regulations and all that kind of nonsense. You know what I am saying?"

Commissioner Ayme: "Ok and the answer is we don't."

Commissioner Ramirez: "Not on the financials or any other avenues. We have an understanding completely. I was just presuming we are under the umbrella with restrictions on zoning, right?"

Mr. Hiscock: "Well, we've got the zoning approval."

Commissioner Ramirez: "Right."

Mr. Hiscock: "The only way there could be a difficulty is if the Substation design changed radically in engineering issues. The City would get another shot at it. Once we do final design...we present final design to the Siting Council for, they call it a...something determination to make sure it is consistent, they determine it's consistent, it doesn't go back to the City. If it is inconsistent with the plan, then it goes back to the City. We will not make it inconsistent unless there's some sort of very big surprise."

Commissioner Burgess: "Any other questions?"

Commissioner Ramirez: "Very nice. Good job."

Commissioner Burgess: "Motion for adjournment?"

Commissioner Ayme: "Yes."

Adjournment:

The meeting adjourned at 7:45 p.m.

Attest:

Gwendolyn Gonzalez
Assistant District Clerk

Transcribed by: Lisa Roland