

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting

April 17, 2012

Present:	Al Ayme Maria Borges-Lopez Mary Geake Mary Mann	Vice Chairman
Also Present:	John M. Hiscock Gwendolyn Gonzalez Kevin Barber	General Manager Assistant Clerk Director Admin. & Customer Service
Absent:	Mary Burgess Sherelle Harris César Ramirez	
Public Present:	Shylethia Brown Jim Delgreco Carvin Hilliard	

Call To Order:

Commissioner Ayme called the Regular Meeting of The Second Taxing District Commissioners to order at 7:05 p.m. on Tuesday, April 17, 2012. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Acceptance of the Minutes:

Commissioner Ayme: "This meeting of the Second Taxing District Commission for Tuesday, April 17, 2012 is now called to order at 7:05 p.m. The first item on the Agenda, we need a motion to accept the minutes for February 9, 2012."

Commissioner Geake: "I make a motion that we accept the minutes."

Commissioner Borges-Lopez: "Second."

Commissioner Ayme: "All those in favor?"

Commissioner Unanimously: "Aye"

Commissioner Ayme: "Against?"

[None against]

Consent Agenda:

Commissioner Ayme: "Consent Agenda. We need a motion for two items to ratify the Appeals Committee decision and the Electric Write-Offs for January 1, 2012 through March 31, 2012. Do we have a motion to accept the Consent Agenda?"

Commissioner Mann: "Motion for acceptance."

Commissioner Geake: "I will second it."

Commissioner Ayme: "All those in favor?"

Commissioner Unanimous: "Aye"

Commissioner Ayme: "Against?"

[None against]

Regular Agenda:

Commissioner Ayme: "The Regular Agenda is the South Norwalk Electric and Water Policies Review and I will turn that over to Mr. Hiscock."

Mr. Hiscock: "Ok, when we first introduced the Policy Manual in December, there was a request by members of the Commission or at least one member of the Commission to bring them back a few at a time for change so there would be an opportunity to look at them, discuss them, think about them or whatever."

Commissioner Geake: "Wait a minute?"

Mr. Hiscock: "5.1"

Commissioner Geake: "Oh, never mind. I am ok. Never mind."

Mr. Hiscock: "The first one; and I think we did three last month and we picked four this month, so we need to go through them. The first one is Policy on Miscellaneous Material Sales. It is kind of self-evident to us. It's the material that we sell to anybody else other than ourselves. It's material that we acquire for resale. We stock material that is not generally available to the public or not easily obtained quickly because of our specifications or some other requirements. So we do sell material to the City, contractors, to property owners at times, so we need a simple policy. The Policy black lined on page 7 and what it used to be is on page 14. We had to change it and the only reason we changed it was to include water and electric. This was originally approved by the Commission on November 21, 1989 and it was by the District Commission for water utility sales but in the process of updating the Policy Manual we thought it would be appropriate to change the wording. At cost, simply for materials that go to the City of Norwalk, material on a project which would become something that we own, in other words we sell material out of inventory to somebody who is developing a facility and turning it over to us so there is no markup. Ten percent markup is for material used for customer facilities which we specify by name and there are no equals who do that. Primarily because if they order them from a plumbing supply it is usually anywhere from 50% to 100% above our cost and they are our customers and they are doing things on their particular service entrance so we feel it is appropriate not to force them to pay anymore than they need to pay. The 10% markup is for handling and repair bills to contractors for use on repairs to our system. Example, if a contractor digs up a service pipe and they are responsible to repair or replace it; we will sell them the material out of our inventory and only mark it up 10%. And then a 50% markup is for everything not used on our system or not listed above. An example, we stock a lot of repair sleeves for the water system. We stock a lot of electrical repair and installation components that are available in the marketplace but because we buy wholesale, we buy it relatively inexpensively. We don't want individuals using us as a supply house. This usually happens when it is something that is a special order or an order from a supply house, so we usually mark it up 50%. That is the rationale for what we do. And as you can see it's no different that the former policy that the Commission approved in November, 1989. At this point I can answer any questions or anything for discussion?"

Commissioner Ayme: "Any questions? No questions."

Mr. Hiscock: "If there are no questions, we would need a resolution to approving the policy as presented."

Commissioner Borges-Lopez: "So moved."

Commissioner Geake: "Seconded."

Commissioner Ayme: "All those in favor?"

Commissioner Unanimously: "Aye"

Commissioner Ayme: "Opposed. None."

Mr. Hiscock: "Ok, the next one. This is sort of a legacy document to say the least. Approved in September, 1983 and as you might know the individuals who approved this policy are now no longer with us. It's an item that has appeared as a carryover from the water utility and as you remember, most of you remember, that when we combined the water and electric utility by ordinance and then by Charter revision, we were unionized at that point in time and this became an item that was bargained and negotiated for by IBEW Local 42 as a benefit that would be extended to the electric utility and while I don't think we ever discussed this at a Commission Meeting as an individual item, the Union settlement was simply something the Commission approved based on economics and then we all know that the Union was repudiated (I think that is what they call it in labor law) and this became a legacy at that point in time. We combined the Union Contract with the water utility Employee Manual and came up with a consensus document that, so this is an item that hung out there. It was really never put in the Employee Manual and probably does not belong in here. This is an employee benefit; it really doesn't belong in the Policy Manual. What we did here is simply indicate that we changed the wording to suit the current situation. More than once we've internally discussed that we really think this is sort of an antiquated, legacy document. It is not something I would support in today's environment and certainly would never propose this kind of an item today and I certainly wouldn't propose this as a policy as part of the Employee Manual and Benefits package. So we have several choices here. Certainly one is to approve it as is, as presented. Leave it in place and then deal with it in the fall with respect to the general employee benefits and eliminate it at that point in time. It gets paid December 1st. If we left it as is, you would end up paying it December 1, 2012 and if you decided to eliminate it at the end of the year when you go through this whole process, it would end. There is no other real other real choice here. You could vote to simply eliminate it at this point in time, which would be legal since it is not due and payable until December 1st and eliminate it. And to give you a little bit more background so you know the financial implications, I had accounting get me the information for the last two years and its slightly below and slightly above \$10,000. That is the cost. So when you add it all up, add the number of employees in here, calculate the sheet out, its \$9,000 or \$10,000, I believe. It's in your package."

Commissioner Borges-Lopez: "It is \$8,985.00 in 2010 and in 2011 - \$9,470.00"

John Hiscock: "Ok and it will probably be this December 1st slightly over \$10,000 or very close there to."

Commissioner Ayme: "I will need a motion?"

Commission Borges-Lopez: "I will make a motion to leave it as is."

Commissioner Geake: "I second it."

John Hiscock: "Can I clarify that?"

Commissioner Borges-Lopez: "Yes."

John Hiscock: "Would that be a motion to alter it as indicated in the Board Book because we can't leave it as is?"

Commissioner Borges-Lopez: "Yes altered as is in the Board Book."

John Hiscock: "Ok."

Commissioner Ayme: "Did you get that?"

Commissioner Geake: "Do you want to do that again?"

Commissioner Borges-Lopez: "Make a motion to alter it as in the Board Book."

Commissioner Geake: "I will second it."

Commissioner Ayme: "Those in favor?"

Commissioner Unanimous: "Aye"

Commissioner Ayme: "Opposed?"

[None opposed]

Commissioner Mann: "I am sorry but I just need to ask one question. We will bring it up when we discuss benefits correct?"

John Hiscock: "Yes, because we have a couple of outstanding issues that we need to talk about so we are going to need to deal with benefits in the early fall."

Commissioner Mann: "Thank you."

John Hiscock: "Because we have the issue that was brought up with respect to health insurance and we have the issue that Commissioner Borges-Lopez brought up about the fact that we are required to notify the employees so many days in advance of a change of plans. So we are going to have to address some of these benefit issues long before we normally do which we normally do it in January for December 1st. So yes I have no problem with putting this back on the table if that is the Commission's desire and since we are going to be talking, I presume about the most logical way to make cuts or maybe potential cuts, this would probably be one that would make sense. I am not

saying that I am recommending that we cut I but I am not saying that I am recommending that we go forward either, I am just saying it is one of those things that should come up at that point and time, if that is what the Commission desires.”

Commissioner Mann: “I desire to discuss it.”

John Hiscock: “So I think this was approved however.”

Commissioner Mann: “Yes it was.”

Commissioner Borges-Lopez: “Yes it was.”

Mr. Hiscock: “Alright.”

Commissioner Ayme: “Any discussions? Ok, next item.”

Mr. Hiscock: “Next item is the SNEW Water Service Connection Frontage Fee Financing Policy approved by the District Commission as applicable to the water utility in 1995. If you look at the redlined version, you will see we crossed it all out completely and the reason we did that was if you look carefully at this and thought about it, it was sort of a hybrid. It was a policy and a procedure together because we had the agreement frontage repayment which is a legal document that really is more than a policy and it’s certainly a procedural internal document produced through a combination of myself in my office and legal counsel to make sure it was done appropriately. So we stripped everything out of it other than the actual policy. Now, to give you a little bit of background so you understand what this is about. SNEW, in the water utility only and we will not do this in the electric utility, because the electric utility is totally different but because of the cost of water main extensions to serve parcels, very similar to what the City does although they do freeholders and assess people and all of that, we don’t do that. If we find a good reason to extend a water main at our expense we, when somebody hooks in because they don’t have service, they hook into it to obtain service, we expect them to pay a frontage fee equal to one-half of the cost per foot of the main extension. Very similar to what the City would do if sewer service was provided because they assess every parcel that can hook into the sewer. They allow it to be paid out over time. Prior to 1995 we did not allow it to be paid out over time. We had a lot of people who wanted water service but couldn’t come up with the entire payment at once or were uncomfortable with it or felt that they could redo their well cheaper than hooking into the water system, usually for existing houses. For the new houses the developer would usually pay the price to hook into the water because they were building a property. So we came up with a five-year plan where they could pay monthly, interest free so we take the total amount due under the normal main extension policy, divide it by 60 and bill them monthly on their water bill. So that is what this policy is about. It only affects the water utility. This would not be a change to the current policy that we use. It’s simply making the policy a policy only and would have no procedure involved in it and in making it clear. This in no way changes anything that we do today. It’s simply splitting out

the policy from the procedure and I can certainly answer any questions about what we do. Quite a few people take advantage of this and we do sign a legal document with them. We place it on the land records. It runs with the land so that when they sell property the payment stream continues with the property. We have attorneys for buyers and sellers, calling us up at times and asking what the cost is to satisfy the arrangement because they would prefer to have it free and clear. When it is paid off we issue a satisfaction of frontage fee payment and it is placed on the land records. Sometimes the seller's attorney just takes the obligation on and notes it as part of the closing documents and the new owner pays. Variations but basically the obligation is there and we just collect the money."

Commissioner Ayme: "Ok. Any questions?"

Commissioner Mann: "I have a question. Medium size property for a medium size house, what would the cost be out of curiosity?"

Ms. Hiscock: "It is based on the size as I think you see, not on the house at all but on the front footage, the frontage of the property."

Commissioner Mann: "Oh the footage of the property."

Mr. Hiscock: "So if you own a lot with a lot of frontage it's, in today marketplace, let's do it that way, in today's marketplace, \$60 a foot times the frontage. So if you have a hundred foot frontage, which is small for the areas that we don't currently have, that's \$6,000. An example, in West Norwalk there is a lot of lots that have water mains across the front and do not have service. And you are talking average frontages of 150 feet. I have seen frontages in the 300 and 400 foot range. We also use this policy in Wilton where we have extended water based on a 1989 agreement with the Wilton Water Commission to get certain neighborhoods served. I have seen 3 and 400 foot frontages on 2 acre lots, so we are talking big numbers. Now, obviously paying this out over a five year period, it is still a big number but at least it is bearable. So, 6,000, \$10,000, \$15,000."

Commissioner Ayme: "Ok"

Commissioner Mann: "Ok."

Commissioner Ayme: "That is a lot of money."

Commissioner Mann: "Yes it is."

Commissioner Ayme: "Any other questions? Ok, we need a motion."

Commissioner Geake: "So moved."

Commissioner Mann: "Second."

Commissioner Ayme: "All those in favor?"

Commissioner Unanimous: "Aye"

Commissioner Ayme: "Opposed?"

[None opposed]

Commissioner Ayme: "Alright 5.4 Electric Account Residential Rental Unit Deposit Policy."

Mr. Hiscock: "If you look at the redline version you will notice that this was approved in June of 02 when we had a separate electric commission from the District Commission at that point in time. We were combined by ordinance but the commissions were not combined, we still ran as two independent companies. So this policy was adopted for electric customers for individuals such as management companies that manage property with multiple accounts, for apartment building owners that had quite a few tenants in them with individual accounts and we wanted a way to group the security deposit so they could put a blanket down and take care of the property. This was a controversial issue from the landlords, the management agencies and the owners of multi-unit buildings, they were complaining bitterly about them having to come in here every time they changed a tenant, every time somebody left, putting money up for deposit then getting it returned a month or two later when they rented the unit and quite frankly it became a nuisance for us too. It really was a nuisance for us so we set this policy down so that we had enough money to cover the transient situations in apartment buildings and it has worked out well, relatively well. As you can see, the only changes that we made is that we cleaned up the semantics in certain places, we added owner in a few places where it was missing, we did not change the dollar amounts in any way and we crossed out electric commissioners and simply made it Commissioners of the Second Taxing District. So it's a document that applies to the current structure of the District. And that is the only change other than Commissioner Geake pointing out to me in number 14 on page 11 under policy that we have a typo we missed the word, 'the' in front of District Commission which we will correct as part of the process. So it's again, this is not a change. This does not affect individual property owners it only affects owners, landlords and management agents. I can certainly answer any questions related to this."

Commissioner Ayme: "Any questions? Ok, we need a motion."

Commissioner Mann: "Make a motion to accept the policy."

Commissioner Borges-Lopez: "Second."

Commissioner Ayme: "All those in favor?"

Commissioner Unanimous: "Aye"

Commissioner Ayme: "Opposed?"

[None opposed]

Commissioner Ayme: "Motion carried."

Public Participation:

Commissioner Ayme: "Ok, now we get to the item of Public Participation."

Commissioner Geake: "Will you state your name and address please."

Shylethia Brown: "My name is Shylethia Brown and I live at 28 Dr. Martin Luther King Drive at St. Paul's Terrace and first I would like to thank SNEW for providing the service of my electricity. The reason why I am here is because you mentioned antiquated documents. That is how I feel about the payment options here. I think, I was wondering if there was going to be any update to payment options for customers because currently there is only, come in person and pay or send a check in. With the technology being as advanced as it is I was wondering if there was any time that this was going to be updated to let us pay over the phone, to be able to pay with direct debit, to be able to pay online because sometimes it really is inconvenient when you work from 8:30 – 5:00 p.m. and you maybe forget or you are trying to get your bill paid and the only way is a check and by then you could have your electricity cut off. I mean there was a time I got a bill for \$11.53 and, on Martin Luther King weekend, I dropped it in the deposit box and because I had no other option, I paid it and three days my electricity was cut off and I had to stay the night with my sister. And I called the electric company and they told me I had to pay a \$200 fee to get it turned back on plus my entire bill. My bill was only \$11.53 and I was very, very disturbed and it was one of the coldest nights in the winter during that time. I believe it was Martin Luther King weekend. And because I explained the situation and I got it turned back on and the fee was reimbursed thankfully but I just wanted to come and express that because I just think that there should be other options because my bill would have been paid by the 16th if I could have called on the phone or even went on line to make a payment. So, that is just my only concern. Other than that I don't have a problem with my electric bill."

Mr. Hiscock: "We are in a massive smart metering program that so far has replaced virtually all of the electric meters in the system, we now read them by radio. We don't send the meter readers out any more. We are in the process of and just contracted with a supplier for a meter data management warehouse to handle all of the data. As a part of that project, while that is not directly related to that, we are getting involved with online of information with respect to your bill,

if you have an account you can look it up, you can sign on with your password, you can take a look at your electric use, your electric consumption. As that project moves along and part of the process we are looking at online payments, we are looking at credit card payments, debit card payments, bank payments and third party payment systems. Kevin Barber who is managing the project is working on that right now and we are moving forward hoping that portions of it will be available sort of in the summer time. Although you have a goal but occasionally it is delayed due to software issues, due to computer issues but we are moving in that direction as fast as we can go.”

Shylethia Brown: “Ok, that is great.”

Mr. Hiscock: “Ok.”

Shylethia Brown: “That is good to hear. You said by the summertime there will be other options or because we are almost there.”

[Laughter]

Jim Delgreco: “I heard you say summertime.”

Mr. Hiscock: “I did say summertime and we are there working on it. Kevin has been talking to them; well it is actually being handled by a third party. It doesn’t get directly handled by us but it is all being integrated into our system. But yes we are moving in that direction. We are making huge changes. We are actually modifying this building starting next week to house a lot of computer stuff behind the wall and move the metering department out of here. So yes we are moving in that direction and yes we are very antiquated in that area.”

Shylethia Brown: “Ok, thank you but because sometimes it is impossible because Mr. Tamburri he is the only one here that can even help you with anything even with your bill payment. You can come inside to speak with a customer service rep but if you call they say you can only speak to him about your bill.”

Mr. Hiscock: “You can only speak to him when your bill is delinquent mam.”

Shylethia Brown: “Oh well, at that time it was and it is sometimes impossible to get in touch with him because he is swamped with people.”

Mr. Hiscock: “Yes he is.”

Shylethia Brown: “So that would help I think.”

Mr. Hiscock: “Yes it probably will. Mr. Tamburri handles, to put it politely, it is called forced collections.”

Shylethia Brown: "Ok, at that time I was..."

Mr. Hiscock: "Yes at that time you were in a bad spot and I do believe we waived your reconnection fee because we made a mistake if we shut you off for \$11.00, we clearly made a mistake."

Shylethia Brown: "Is it still \$200 for a reconnection fee?"

Mr. Hiscock: "For a night reconnection, yes."

Shylethia Brown: "Oh, ok."

Mr. Hiscock: "Yes"

Shylethia Brown: "That was the first time I had to call."

Mr. Hiscock: "It is \$35.00 during the day. During the day it is \$35.00 and the reason it is so expensive is we need to call somebody out, they need to drive here, they need to get two hour minimum and that is our actual cost. And part of our new metering system allows us to turn you back on by computer. So that will all change also."

Shylethia Brown: "Ok. Thank you."

Commissioner Ayme: "Alright. I want to thank you for your comments on behalf of the entire Commission and any other comments, questions?"

Carvin Hilliard: "I was late. I thought the meeting was at 7:30 p.m."

Mr. Hiscock: "The budget meeting is at 8:00 p.m."

Carvin Hilliard: "I don't have a copy of the Agenda was the item with the kids' Summer Youth Employment Program?"

Commissioner Geake: "That is part of the budget."

Commissioner Ayme: "That is part of the Electors' meeting, 8:00 p.m."

Mr. Hiscock: "The budget meeting is at 8:00 p.m."

Carvin Hilliard: "Oh then 8:00 p.m. That is where I got it."

Mr. Hiscock: "But, we need you to stay because we need fifteen people in the room."

Carvin Hilliard: "Ok, I will stay."

Commissioner Ayme: "Any other comments, questions? Ok."

Commissioner Borges-Lopez: "I motion to adjourn."

Commissioner Geake: "I second it."

Commissioner Ayme: "All those in favor?"

Commissioner Unanimous: "Aye"

Adjournment:

The meeting adjourned at 7:35 p.m.

Attest:

Gwendolyn Gonzalez
Assistant Clerk

Transcribed by: Lisa Roland