

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes
April 15, 2014

Present:	Mary Burgess Maria Borges-Lopez Mary Geake David Westmoreland	Chairperson Vice Chairperson
Absent:	Mary Mann Cèsar Ramirez	
Also Present:	John M. Hiscock Kara Murphy, Esq. Lisa Roland	General Manager Tierney, Zullo, Flaherty & Murphy District Clerk
Public Present:	None	

Call To Order:

Commissioner Mary Burgess called the Regular Meeting of The Second Taxing District Commissioners to order at 7:05 p.m. on Tuesday, April 15, 2014. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Acceptance of the Minutes:

Commissioner Burgess: "Ok, I will call the meeting of the Second Taxing District to order, 5 after 7 p.m., April 15, 2014 and I need a motion to accept the minutes."

Commissioner Borges-Lopez: "So moved."

Commissioner Westmoreland: "Second."

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

Commissioners Unanimously: "Aye."

Commissioner Burgess: "No corrections. No one opposed? Alright and the Annual Budget minutes of March 18, 2014."

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

Commissioner Westmoreland: "Second."

Commissioner Burgess: "Any corrections to that? No, ok, Public Participation. She doesn't count." [Directed at Attorney Murphy]

[Laughter]

John Hiscock: "You guys should see the bills."

[Laughter]

Commissioner Burgess: "Well you do count sweetheart."

[Laughter]

Consent Agenda

2. Electric Write-Offs – January 1, 2014 thru March 31, 2014

Commissioner Burgess: "And the motion for the Consent Agenda."

Commissioner Borges-Lopez: "So moved."

Commissioner Westmoreland: "Second."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed, abstentions? Ok, the Regular Agenda. Mr. Hiscock?"

Regular Agenda

3. CL&P Easement Resolution

John Hiscock: "Ok, we are wrapping up the CL&P easement. It has been a long and torturous path to say the least and not because there is anything difficult or wrong or hard to deal with. It is just that when you deal with large utilities, sometimes things bog down; that is about the best way to say it. You have seen the easement previously. We have agreed to it completely, we have no issue with it, but counsel is getting prepared for the closing and there is a check list of things that are necessary for the closing, like file the Mylar, get P&Z's signature that it's not a subdivision, its suitable for filing, get the final vote from the Commission that in fact the easement needs to be granted, authorize me, the General Manager, to sign the document on behalf of the District. We are down into the wrap up stage and we would like to do this fairly quickly so you have a sample Resolution in your Board Book that was prepared by counsel and at this point I am just going to stop with my explanation and counsel is here to answer any questions you might have or I can answer any questions you might have with respect to the Resolution."

Attorney Murphy: "Ok, the Resolution sort of ties this long process together, it reflects the fact that on November 12th I was here and I believe it was Mr. Westmoreland had a request that we correct some language, which we did and CL&P approved that language correction so at this point as John said we have to have a Board Resolution so we can have the closing. John has worked out an agreement on the compensation with CL&P. CL&P has agreed to it at this point. So, the purpose of the Resolution is to tie everything together and to authorize the execution of the easement and authorize John to proceed with the closing because CL&P is requiring the Board Resolution at this point so that we can close. Are there any questions?"

[No questions]

Commissioner Borges-Lopez: "So, I make a motion that we approve the granting of an easement to CL&P and authorize John Hiscock to sign the documents on behalf of the District."

Commissioner Wooten-Dumas: "Second."

Commissioner Burgess: "Any questions, all in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed no? Abstentions?"

Attorney Murphy: "Ok, thank you."

John Hiscock: "Thank you very much."

Commissioner Burgess: "That was easy wasn't it Kara?"

Attorney Murphy: "That was easy."

John Hiscock: "It wasn't easy to get here though."

Commissioner Burgess: "I know it wasn't."

Attorney Murphy: "It has been a long painful process."

Commissioner Geake: "It has been a long time."

[Laughter]

Commissioner Geake: "But you are handling it quite well."

Attorney Murphy: "Thank you."

Commissioner Burgess: "Ok, Substation Update."

4. Substation Update

John Hiscock: "Ok, if you would take one and pass it down."

Commissioner Geake: "Ok."

John Hiscock: "Item 4 Substation Update. It will be brief."

Attorney Murphy: "Good night."

Commissioner Burgess: "Good night."

Commissioner Wooten-Dumas: "Good night."

John Hiscock: "Ok, I think you all received a memo or email from me that we closed on the bonds. The bonds are in our bank, the proceeds of the bond sale \$10,175,000 are in our bank and the bonds have been closed and issued. So, that is completed and that is a good thing and we certainly can't complain about the interest rate of 2.8%. I think that is a wonderful thing and we get to take advantage of the really ugly economy. And if you look at the twenty year bond sale table you can see the first four or five years the interest rate is virtually zero, in the one percent range. And the way the bonds are issued, 55% of the bonds are paid off in the ten year timeframe so that weighed very heavily on the calculation of the true interest rate. The good news is that this really puts this project in good economic situation and in fact despite the fact that we are going to be paying for twenty years, we are going to be paying less than we were paying CL&P for the two miserable, old feeders that were in terrible shape coming into our system which needed to be upgraded. So, there is no way to declare this thing other than a winner. It is just what it is and that is wonderful. I don't know how many of you have been by the site but there has been a lot of activity in the last couple of weeks. The workforce is tripping over each other. There is CL&P workforce on site, there is our prime contractor, our subcontractor, the testing companies, we have a shut down scheduled for early May and by mid-May we expect to have the station energized and functioning. It may not be hooked into our distribution system at that point, but the transformers will be there and the station will function and we will move through and hook up the station relatively quickly. This is just simply a table of expenditures and tasks. If you look at the totals, sort of three-quarters of the way down, the original estimate was \$9.7 million; the revised target which reflects items that have come in over the original budget is \$10,250,000 and change. I am expecting that number to be pretty good. We have some pretty large numbers in there for tasks that have barely started or have...we have made little payment to date. Where are we? We awarded a contract for a conduit duct bank from the substation north to Lowe Street, going through the railroad bridge. We don't have to do any work on the railroad bridge because it has already gone through the bridge. And for the two weeks or so that the work is going to be performed, it is going to be essentially chaos on Martin Luther King. We will be down to two lanes, one in each direction and that is it. We haven't talk to the contractor with respect to traffic control as to whether or not some nights it is going to be remaining as one lane in each direction. We are in the process of getting the permit from the City; we do get permits from the City for that work. We are in the final design

stages of the second route which crosses Martin Luther King, goes down Old Ely to Mulvoy. That has not been put out to bid yet. When the conduit work is completed on Martin Luther King Drive it will allow us to at least hook part of our distribution system into the new substation. That should happen during June. We are expecting bids shortly on pulling the conductors through the existing duct work. That is probably \$400,000 to \$500,000 in cost. That will also create chaos on Martin Luther King because when we pull the conductors through using an outside contractor, they have to open two manholes at a time. So that is going to be a difficult situation. So, you may hear a little bit about it. We may get some adverse press, maybe not. It really depends on what mood The Hour is in at the moment. But, the good news is that the station is really moving along and taking shape. The control house was supposed to be delivered today. It comes in an oversized load from the Midwest. It didn't show up today and we are not quite sure why. The crane was in place and was ready to set the control house at the substation site. And tomorrow the switchgear arrives and the switchgear housing arrives the next day. So we may have a busy day again on Martin Luther King tomorrow, assuming the control house will also show up tomorrow. So we go from there. Everything is moving along extraordinarily well. The site is tight, it is difficult to work. The civil work, the electrical work is all being performed. The only other comment to make about the spreadsheet here is projected payments, which are in the right-hand column, and you can see payments are big for the rest of April and is \$670,000, a big payment in May of \$2.2 million, a big payment in June of \$1.3 million and then we will sort of wind down as the project completes. So, we are in an excellent situation. If you look at the appropriations, we appropriated \$12.5 million including the bond issue for the project and we are going to be in that slightly over \$10 million range and this is the entire project, right from design, permitting and all the way through the process. So, it will be completed for slightly over \$10 million. I can answer any questions; I don't need to go on any further. Yes?"

Commissioner Westmoreland: "Just two questions, you mentioned there is going to be a power shutdown in early May. Could you describe what that is going to be?"

John Hiscock: "Not for our customers. We are going to be shutting down the south transmission line because when CL&P initially went in and tested their work, they pulled the jumpers back out and put the cables back so that the transmission system, we are not hooked into it yet. So, what is going to happen in the second week of May is they are literally going to come in and attach permanently the transmission system to the station. At that point in time all of CL&P's facilities will be energized and a good portion of ours and that shut down won't affect our customers and it won't affect anybody. It's because of the nature of the transmission system; there is single and double contingency all over the place. We would have liked to wait another two weeks to do the shut down, to take some of the pressure off, but the transmission operator indicated that they would not permit us to be shut off during Memorial Day in case it got warm and it being too late into the power season. So we had to take the shut down earlier than we would have liked to."

Commissioner Westmoreland: "And my other question is of course, the most important thing, is the...where is the landscaping included in this project? You are implementing the landscaping, right?"

John Hiscock: "Yes, we are absolutely implementing the landscaping. It's actually in a couple of different places. You are going to find most of it is in the substation civil and electric construction."

Commissioner Westmoreland: "Ok, great, thank you."

John Hiscock: "And I think the final comment I have for you is we will be going back to the Siting Council to do a modified what is called a D&M. We made some modifications...that's design and management plan. We made a few changes during the process, not major, not enough to need formal approval but we do need to notify them of those changes and we do need to notify the City of those changes. And we have a change under consideration that we are speaking to the City about now and that has to do with driveway grating, nothing terribly important."

Commissioner Burgess: "Any more questions for Mr. Hiscock? I am thrilled that we are doing this. I have been in this a long time and I am very happy."

John Hiscock: "Yes, yes this has been ongoing for a very long time."

Commissioner Burgess: "No other business to come before us?"

John Hiscock: "I have nothing."

Commissioner Burgess: "Ok, a motion to adjourn."

Commissioner Westmoreland: "So moved."

Commissioner Burgess: "Second?"

Commissioner Geake: "Second."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Adjournment

The meeting adjourned at 7:25 p.m.

Attest:

Lisa Roland
District Clerk