

SECOND TAXING DISTRICT COMMISSIONERS
Special Meeting
September 17, 2009

Present:	Otha N. Brown	Chairman
	Mary E. Burgess	Vice Chairperson
	Al Ayme	
	Maria Borges-Lopez	
	Mary Mann	
	Cesar A. Ramirez	

Also Present:	John M. Hiscock	General Manager
	Candace Pampoukidis	District Clerk
	Frank Zullo	District Counsel
	Arthur Miller	District Counsel

Public Present: None

Absent: Sylvester Maultsby

Call To Order

Chairman Otha N. Brown called the Special Meeting of the Second Taxing District Commissioners to order at 7:04 p.m. on Thursday, September 17, 2009. The meeting was held at South Norwalk Electric and Water, One State Street, South Norwalk, Connecticut.

Acceptance of the Minutes

Commissioner Brown: "I call this meeting to order. We will move very swiftly. I got a TV program I'm supposed to see tonight, so you'll help me all you can on that."

Commissioner Ramirez: "It must be good [responding to Commissioner Brown]."

Commissioner Brown: "The minutes... what is your pleasure with the regular minutes of August the 18th?"

Commissioner Burgess: "I will move acceptance of the regular meeting minutes of August 18, 2009."

Commissioner Borges-Lopez: "I'll second."

Commissioner Brown: "Any remarks?"

Commissioner Ramirez: "No, I would just like to abstain."

Commissioner Brown: "Abstain [acknowledging Commissioner Ramirez]. You have that down [directed to Ms. Pampoukidis]? Any other remarks?"

[No remarks]

Commissioner Brown: "If not, all those in favor say aye."

Commissioner simultaneously: "Aye."

Commissioner Brown: "Those opposed say nay. So ordered."

Commissioner Burgess made a motion to accept the regular meeting minutes of August 18, 2009. Commissioner Borges-Lopez seconded and the motion passed with five Commissioners voting in favor and none opposed. Commissioner Ramirez abstained.

Chairman's Remarks

My remarks will be very brief and humbly with the fact that hopefully I can get out of here to see... my favorite soap opera is leaving, and so they're going to be talking about it and I want to make sure I'm there. I am sentimental, you know. The first item on the agenda is the consent agenda. What is your pleasure?"

CONSENT AGENDA

Accept Letter of Resignation from Vice Chair Burgess as Chair and member of the Financial Policy and Resource Committee

Commissioner Burgess: "I will move the consent agenda."

Commissioner Mann: "Second."

Commissioner Brown: "Any objection?"

[No remarks]

Commissioner Brown: "All those in favor say aye."

Commissioners simultaneously: "Aye."

Commissioner Brown: "Those opposed say nay, and so ordered."

Commissioner Brown: "The... oh, I skipped over the Chairman's remarks."

Commissioner Ramirez: "Can I...?"

Commissioner Brown: "But the Chairman's remarks are very brief. Right..."

Commissioner Ramirez: "I'm sorry to interrupt on this one, and help me out on this one. This is the first time I've seen it. On the consent agenda, that's to approve the resignation? Your

resignation [directed to Commissioner Burgess]? I do believe, as far as my concern goes, I might be wrong, but it should be somebody else to move, because you're the one who's resigning."

Commissioner Brown: "Well, you know, that's nice as a privilege, but..."

Commissioner Ramirez: "You know what I'm saying? It would be a conflict of interest."

Commissioner Brown: "...but there's nothing parliamentary that would..."

Commissioner Ramirez: "Well parliamentary... according to the rules this would be a conflict of interest. Because she's resigning, it should be somebody else..."

Commissioner Brown: "No, but there's nothing in the... there's nothing in the law that requires that."

Commissioner Ayme: "I'll move the agenda."

Commissioner Ramirez: "There it goes. Yes [acknowledging Commissioner Ayme]."

Commissioner Brown: "Okay, thank you. The... I have very few remarks. One remark I would like to make, and I'm glad Attorney Zullo is here, because he will be able to verify. I'm sure many of you know Larry Charles. He was kind of a co... co-Chairman, Toastmaster. You know I used to say a Toastmaster is one who knows when it's pop up, and when to pop down. And I don't know whether Frank Zullo found the same thing. But Frank is extremely... I mean Larry, is very ill."

Mr. Zullo: "I didn't know that, Otha [Commissioner Brown]."

Commissioner Brown: "And I just... huh [responding to Mr. Zullo]?"

Mr. Zullo: "I didn't know that Larry [Charles] was ill."

Commissioner Brown: "Yes, I didn't either until two... really until about two, three nights ago, that I actually heard from him, because I'd been trying to get him for almost two weeks. So, but he is very, he's in rehab in Saint... is it Mount Sinai hospital in Hartford? He can very hardly speak. He can hear which is fine for me because I can... because I can... I had to do all the talking. He cannot do very much talking. But he understood, and he sent best wishes to all of you. And if any of you are interested, I thought I had it here as to how he can be contacted. As you recall, he and Frank Zullo were the kind of co-conspirators at the library when we had the ceremonies there. And of course he's been very active in Norwalk, and as a matter of fact in many capacities, as many of you know very well. The second thing is, all of you, I hope you have a copy of this. This was the attention that was given when we had the Charter revision. How many charter revisions have we had, John [Mr. Hiscock]?"

Mr. Hiscock: "Three [responding to Commissioner Brown]."

Commissioner Brown: "Three?"

Mr. Hiscock: "1981, 1995, 2003."

Commissioner Brown: "Yes, and I believe this is... tops just about all of the other districts with charter revisions."

Mr. Hiscock: "Yes."

Commissioner Brown: "Yes, because... and by the way, we have never had one of our charter revisions that were voted down. So we've been very successful in this. I just want to call your attention to a couple of matters here, because there are things humming around the City, and as I've said in most of the cases, I have no dog in that hunt. But I keep getting a lot of telephone calls. Unfortunately I do not have a... I guess unfortunately, a cell phone, because I threw mine away. I was using it for a while too much. But I am getting calls on my regular phone, and they are calling about two things. About the library, of course, and the other thing, is that they're calling, is about Ryan Park. I'm developing some definite interests, even greater interests in both of them, but I won't labor you with that tonight except I hope you will read, with an assertion basically that I'll shall make with respect... well first of all the library. And question number two of the Charter, it says 'Section 1-75 and 1-77 of the District Charter be amended to permit the District to meet its library obligation,' that's the same thing as responsibility I assume, 'by contracting with suitable parties, including; and I'm being an old English teacher, want you to make sure of the language, 'including the City of Norwalk, to provide library services.' I know we have to eminent attorneys here, I'm sure they can help us with that and see if it parallels what my... my feelings about it. I was told in law school that anybody who had a lawyer... his own lawyer (inaudible), had a fool for a lawyer. I think that was the first year, right. I didn't get any further than that, but I got that far. And I learned a little about (inaudible), and a little about contracts, and a little about the... about a few other things that a freshman learns, or at least is confronted with. Look at it very carefully. It says 'the question if approved will permit... will permit the Second Taxing District to meet its Charter obligation to support and maintain the library by contracting with the City of Norwalk 'or' another qualified library service', and 'will require the District Commissioners to hold a duly noticed public hearing prior to the execution of any library related lease or contract.' So I will not... I will hope to talk about some of that later in more specificity, but the fact is the 'primary' obligation of 'maintaining' and supporting the library is the Second Taxing District. Secondly, it has the authority, under contract, to contract with the City of Norwalk or 'another' qualified service entity. I believe this is law, and we ought to put the lawyers together and we'll have a debate, because I like to go back to my old debating days. That's one thing. So I hope you will take this and review it. There's a couple of other items. That's at the same time that we created a single seven-member Commission, and there were many implications of that, which was the first time in our history that it was like that, so that had many implications. And so be sure to read it, and hopefully I will have outlining... I will outline something in the future that will cause for us to reflect on that, because I will have some recommendations in that regard. And I do have some people who are also kind of experts in that, as I did with the library when I called upon many professional library officials of both Norwalk and other cities to determine, or to make recommendations about, what a full service library was. And then as I recall later on, when Mayor Knopp was the Mayor, we had an agreement with respect to when... when there was any kind of disagreements and so on, that it could be done by arbitration. I will have some recommendations in that regard too, because I'm getting a lot of calls about what I would kind of consider a violation of the weekend non-existent operations of the library without, as far as I know, that I had... we had knowledge of that, at least the Commission, because there has not been a session. As far as the other one, it's about Ryan Park. I'm beginning to develop some positions in that respect, and I will be conducting with our own lawyers and other here, and with others that I may personally consult with so I'll make sure that I'm in the right bounds with Ryan Park. And I think you will find some

very interesting... hopefully it will be interesting, concept with respect... number one, what is Ryan Park, and what are the things that can and should be done with respect to Ryan Park, since we have different opinions, at least three main opinions, as to how it should be utilized. That's all that I have for tonight on that. The other thing is the General Manager, and I'll ask him 'can you top this' [laughing]."

Commissioner Ramirez: "Just... could I ask, through the Chair. I might be naive. Something probably transpired last meeting, but this transpired 2003. What this has...? Is this a reminder for the Commissioners? That's what it is, or what exactly does it have to do with the agenda?"

Commissioner Brown: "Well, we're... John [Mr. Hiscock], do you want to?"

Mr. Hiscock: "Commissioner Brown requested that this be placed on the table this evening."

Commissioner Ramirez: "Reason why?"

Commissioner Brown: "I said in conjunction with my remarks I wanted this to be placed on the table to each Commissioner so they would have it, and that it would be entered into the record."

Commissioner Ramirez: "A sort of a reminder to the Commissioners the obligation of the Second Taxing District, that's what you're trying to say, or what?"

Commissioner Brown: "Well that's one of the things, yes. Sure."

Commissioner Ramirez: "Okay. And when... I have the other one..."

Commissioner Brown: "Excuse me?"

Commissioner Ramirez: "When you say we have..."

Commissioner Brown: "Well I would like for you to read it..."

Commissioner Ramirez: "I know, but..."

Commissioner Brown: "...and as you will, consult with the counsel in terms of..."

Commissioner Ramirez: "...I have a question for the CO."

Commissioner Brown: "I didn't plan to discuss it tonight, but I personally would be glad to discuss the whole thing, but I simply want to call it to your attention."

Commissioner Ramirez: "We have the ability to support... when you say support and maintain the library, that's... I mean, very... what type of support are we providing, and what type of maintenance are we providing? Be more specific here; besides the City of Norwalk."

Mr. Hiscock: "Yes, the document you have in front of you is the notification required for the electors, and it has two items. It has the short version of the question, the synopsis of the question; and it has the longer version, all of which were approved by the Secretary of State. And then there's a deeper document that was printed that showed the actual changes."

Commissioner Ramirez: "Give me the brief... and the logistic, finally, in plain English, what we support and what we maintain."

Mr. Hiscock: "The Library, under the Charter, was owned, managed, and controlled by the Second Taxing District. In 1975, I believe, they entered into an agreement with the City of Norwalk for the City to take over maintenance, management, control, budgeting of the Library as a City function; with a written agreement. When this was placed on the Charter Revision in 2003, the reason it was done was to make sure we had the authorization to contract with somebody to take care of our obligation that we had maintained from 1913 to 1975. So there was some concern that without our authorization to contract with another entity in the Charter, we couldn't do it. Now we had obviously completed that in 1975; the arrangement. But that's why it was placed in the Charter. It was sort of confirming by the electors that we had the authority to enter into a contract for maintaining library services with another entity other than ourselves. Because up until 1975, the Electric Commission funded, out of electric funds, the library operation, which I believe was \$184,000 per year in 1975. And they maintained the building, they hired the staff, and they were District employees."

Commissioner Ramirez: "Are they paying any electricity, or we support the electricity?"

Mr. Hiscock: "I'm sorry?"

Commissioner Ramirez: "Are we supporting the electricity in this building, or the City...?"

Mr. Hiscock: "No. No. It's a regular... we have many, many accounts with the City, and it's just one of their accounts. They pay the electric bill."

Commissioner Ramirez: "And the water too?"

Mr. Hiscock: "And the water."

Commissioner Brown: "I would only like to say, since Attorney Zullo... I would not like to have a discussion. I just wanted to give you this material to read, because there are a lot of implications..."

Commissioner Ramirez: "Sir, this was a reminder. I just wanted to know..."

Commissioner Brown: "By the way, if you're asking why a lot of these things were done... by the way, one of the reasons things were done, because Attorney Frank Zullo, (inaudible) Mayor then, said 'How many Huckleberry Fins do we want in our libraries'. And that's what sparked a lot of it, and as a result I thought it made sense, and I was just coming on the Commission at that time, and... however, don't forget, they wanted all the libraries to participate in that. Only the Second District and the First District finally agreed to do that. East Norwalk, the Third Taxing District, and the Sixth District didn't then, and hasn't now, supported a central library system. And I believe that he can confirm that's why he was doing that. It was not just simply in terms of us ourselves, if we had a central library system, but out of that came some of the other kinds of agreements. But this is... this is..."

Commissioner Ramirez: "(Inaudible). You know I wasn't here in 2003, and when something is reminded to me I want to know exactly what I'm getting reminded for, and I need to... and I had a question; simple as that."

Commissioner Brown: “Well by the way the General Manager has been... he had just gotten here at that time, and...”

Commissioner Ramirez: “That’s fine. That’s fine.”

Commissioner Brown: “...and by the way he’s available any day for your comment. I’m sure he’ll be helpful to you. Okay, thank you.”

GENERAL MANAGER

Advanced Meter Infrastructure (AMI) – Project Update

The next item on the agenda is the General Manager, and that’s the Meter Infrastructure, an update on the project. I don’t believe there’s any action that we have to take is there, tonight?”

Mr. Hiscock: “No, there’s no action required. The Advanced Meter Infrastructure project is continuing to move forward. Staff interviewed two groups that made proposals in response to our request for proposal. As you recall we had a consultant, Plexus Engineering, design a request for proposal, and they are continuing to advise us on this particular project. We will be making some decisions, and making additional presentations to the Commission with respect to the project as it moves forward. The purpose of my update this evening is to let you know that our cooperative, the Connecticut Municipal Electric Energy Cooperative, is also exploring some AMI options for its members, and has prepared a stimulus application for the members. Like most stimulus applications, you really don’t know if you’re going to get anywhere, and that’ll be the subject of my next comment on the next topic. Because SNEW is significantly further along than the other municipalities in the cooperative with respect to AMI projects and AMI budgeting, the bulk of the application centers around our utility, and that’s certainly a good thing. If we’re successful, that means that certain portions of our project will be funded by the stimulus program. And that’s good news. The decision with respect to stimulus applications; and there are many, many, many hundreds and hundreds nationwide, for very, very large, for billions of dollars, probably, if they keep up with the schedule, will be announced in November. And then once a grant is announced, then you move forward and negotiate a final arrangement. There’s give and take about the program. Unfortunately we’ve learned, and I’ll speak to this at the next agenda item, that even though your project may get an award, portions of your project that you want may get deleted from it. And it’s sort of a give and take. It’s a very, very... I guess in an inarticulate way to put it, a very fuzzy process. It is very hard to understand exactly how decisions are made. It’s not very transparent, but nonetheless, that’s the process. Even though we might not get an award, the moving forward by CMEEC with addressing AMI issues will still be advantageous to us. The Board voted and appropriation... the CMEEC Board, voted an appropriation of up to \$250,000 to do the application and a study of AMI, including proposing and creating time-of-use rates to be used by its members. All of the members have requested that CMEEC change their pricing schedules and allow for time-of-use offering, that we could in turn offer to our customers. So even if CMEEC, SNEW, Wallingford, Groton, Norwich, Jewett City do not get an award, a substantial amount of information, and involvement, and changes are going on in CMEEC to make our AMI project certainly more valuable to us, and more valuable to our customers. We at some point will be allowed to offer time-of-use. Now time-of-use rates are you change your usage pattern, they’re optional; a customer could not choose it, or not choose it. An example would be, and these are just rough numbers, if the average price of electricity to a customer was \$0.10 per kilowatt hour, you might structure it so that from 7:00 a.m. to 7:00 p.m. you pay \$0.12 per kilowatt hour, and from

7:00 p.m. to 7:00 a.m. you pay \$0.08 per kilowatt hour. And the purpose of it is to encourage individuals, customers, businesses; any one of our customers, to use power during off peak times when power is cheaper. Power is much cheaper to purchase in the early morning hours. It's much cheaper to purchase in the fall and the spring, as opposed to the summer and the winter. And the reason I bring this up, basically is just to let you know that CMEEC is jumping in, into the AMI arena, and will be creating projects and systems that will that will aid our project whether or not we get a stimulus award. If we get the stimulus award it's a benefit to us, because it's a grant of 50% of certain eligible capital costs, and we could save considerable amounts of money on our own project, and that would be a very good piece of information from, you know, the budgeting and cost perspective. There are fairly... fairly few down sides to it. We're only paying, out of the \$250,000 to develop this information... we're lucky, because we're only 10% of CMEEC, and it's on a load ratio share, so we're essentially, through our rates, paying about \$25,000 out of this \$250,000 cost. But we are in a position to gain between one-third and 50% of the grant benefits because of how far along we are in this process. I can really answer any questions related to time-of-use, or anything related to AMI. It's really just an update to keep you apprised at each meeting as to where the project is going. The only difficult bottom line we will have, is based on our RFP we have to contract with a vendor by the end of the year, the end of the calendar year, and if the AMI stimulus awards aren't made until early next year, that's going to be a difficulty. There is a claw back provision which says that once an award is made, and you negotiate a contract, that from the date of the contract backwards 90 days, anything that you spend can be part of the grant. So we still have some time, and some leeway, and we're just trying to dovetail the two and hopefully, you know, get a considerable grant out of this. We're competing with other municipal systems nationwide in the small project category, so we may have a chance because there is a series of narrow categories. Our focus was multiple systems joining together to promote an AMI infrastructure project to benefit all of the systems jointly."

Commissioner Ramirez: "When you refer to a vendor, this is a vendor that would be attached to the company your referring to, or we will have a choice of any other vendors? Because it seems to me like I heard that this vendor will have something that they would recommend. So that will not sound like some kind of monopoly, or...?"

Mr. Hiscock: "No. We put an RFP out. We requested proposals. We essentially short-listed two companies, and we're dealing with both..."

Commissioner Ramirez: "So with the flexibility of different vendors, though? That's what I'm referring..."

Mr. Hiscock: "Right."

Commissioner Ramirez: "It will not be a specific 'X' vendor."

Mr. Hiscock: "Right. We did not pick a vendor, and... we have a difficulty here that is becoming more and more noticeable as companies get involved. Our service territory for water goes all the way from Rowayton to the Silvermine section of Wilton, from East Norwalk to the Darien town line. Our electric service is only inside of the Second Taxing District. AMI systems only, most AMI systems, only function when the water meter is capable of talking to the electric meter, because the electric meter always has a source of electric, because it measures electric. The water meters are located in vaults, pits, and other un-electrified facilities, and it's somebody else's electric system so we're not allowed to hook up to it without customer permission. So an AMI system

where the water service territory is significantly larger than the electric service territory for the same company, limits the number of vendors, and that's why we only ended up with two credible proposals, and that's an issue. But that's an issue that we can't solve. We simply can't extend our electric service territory, obviously; and we can't abandon the AMI benefits for two-thirds of the customers because two-thirds of our water customers aren't in the District."

Commissioner Ramirez: "So we will be submitted to this specifically? Okay."

Mr. Hiscock: "So we did our best to have multiple vendors. And we have two very credible proposals; very, very close to our business case financial information that was presented here; and very close to each other. And as I said last month, we can't disclose any of that because we're still negotiating details with each vendor, and we don't want to be in a non-competitive position, but all of this information is available in the office."

Commissioner Ramirez: "Alright. Thank you."

Mr. Hiscock: "Any other questions; comments?"

Commissioner Ayme: "I just want to say that, through the Chair, at the last presentation, I mean the presentation that was made by the consultant, he had... I believe he had recommended one vendor. Or he talked about one vendor... I know that we had... there are two vendors available, but because we don't have that many vendors, because the system is so new that we don't have that many people involved."

Mr. Hiscock: "There are probably between 5 and 10 vendors. And I'll call them vendors because they're... sometimes they're multiple companies in an alliance/coalition partnership or whatever, but he did not pick a specific vendor, and it was very clear at the presentation that we looked at multiple vendors, and I think that was pretty clear in the presentation. So there was not a recommendation of a single vendor by any means."

Commissioner Ayme: "Oh, okay."

Mr. Hiscock: "Any other questions, comments, issues related to all of this?"

Commissioner Brown: "I just want to indicate that the last convention that I attended, that this was a principal area and they had everybody from Washington trying to explain it, and I can assure you some of it is very difficult."

Mr. Hiscock: "It's relatively complex, and actually the reason this meeting was moved to this evening was because I was at an APPA financial seminar dealing with technology, time-of-use rates, critical peak pricing and its relationship to AMI. So I just got in last night at about 10:30, because I did spend all day Sunday, and Monday, and Tuesday, and half of Wednesday dealing with this very issue. And it is interesting, because it sort of reinforces the path that we've chosen. And we're sort of in the same general path as everybody else. And it all seems to be starting to merge together. And one of the interesting things that I just mentioned, about the water service territory and the electric service territory, we are not the only system that suffers that. And there were the same general conclusions by everybody that once that happens you're relatively limited to the different vendor systems. You don't have as much choice. So to comment about your comment, Commissioner Brown; yes, everybody is... every meeting you go to, this is the focus, especially

since there is all that money floating around. And we're going to end up with it anyway no matter how you look at it, because CL&P and UI are forging ahead with exactly the same kind of systems, except they don't have water. They are straight electric."

Commissioner Burgess: "Is there a big financial difference for those of us who have different customers?"

Mr. Hiscock: "No. The pricing is very, very similar whether you have the coterminous service territories or not, because the hardware is all very, very similar. It's simply that the water meters can't communicate a great distance, and they need to be paired up close to an electric meter because they have batteries in them, and the battery life is limited, so if you attempt to communicate one over long distances, or as frequently as necessary; to have a water only system you run into to problems. But the actual dollars to do the system aren't altered by the fact that there's only two vendors. The cost of the water meters are the same. It's just that it's harder to communicate, and you can't get the full benefit of AMI unless you can pair up with an electric meter someplace. You can go to an AMI system with water meters that doesn't report back hourly information and just automatically reads once a month, but you don't get all of the other benefits. You don't get the leak detection. You don't get to ping the meter. You don't get to go into the billing software and pick a customer, and say 'Okay, I want hourly reads reported back to me every day for the next week so we can do leak detection'. If you can't report to an electric meter from the water meter, it doesn't work as well, and it compromises battery life; and it's very expensive to change a battery. Because once it stops communicating, you've got to roll a truck, and go out there and simply open it up and change a \$2.50 battery, and spend \$55.00 in labor and transportation. It doesn't make sense. So you pick things that pair properly."

Commissioner Ramirez: "What are the chances... obviously our water territory is bigger, as you stated, and electrical is a little more small; what are the chances to pay to the other company who supplies the electricity, and have those electrical meters with our water system? What are the chances? It would be too expensive, or...?"

Mr. Hiscock: "We'd have to enter into a contract with CL&P..."

Commissioner Ramirez: "Okay."

Mr. Hiscock: "...and entering in a..."

Commissioner Ramirez: "Would that be... may I...? I'm sorry."

Mr. Hiscock: "Yes [acknowledging Commissioner Ramirez]."

Commissioner Ramirez: "I'm looking at the long, expense of the batteries, and any other work that is related to it, versus what we're paying."

Mr. Hiscock: "Well choosing the two vendors that we're working with now, that doesn't become a problem because of the communications protocol that they use and the antennas that they put out there. And they've geared themselves to this ability to be able to deal with service territories that are not coterminous. For us to deal with CL&P we'd have to enter into a contract. We would have to pay them for certain infrastructure to report from their computer system to our computer system, and they're very expensive to deal with because they have a cost of capital that's very, very high,

because they pay taxes, they've got profits to deal with. When we put a project in the ground, our cost of capital is 5%. When they put a project in the ground, they're cost of capital is 25%, because of all of the tax considerations. So it's very difficult to ever contract over the long haul with a investor owned utility."

Commissioner Burgess: "Excuse me. Can I ask one question?"

Commissioner Brown: "Yes [acknowledging Commissioner Burgess]."

Commissioner Burgess: "Does the fact that we're... I understand that the equipment is not going to be that different, but is our limited choice of vendors going to make a big financial difference? I mean if we could... if we could have gone with other vendors...?"

Mr. Hiscock: "Would we have gotten a better price because of competition? I don't believe so."

Commissioner Burgess: Okay. Thank you."

Mr. Hiscock: "I don't believe, because of the process we used. We did not announce our technology constraints or the number of vendors we were requesting proposals for. We were very quiet about that. It doesn't matter now because all of the proposals are in, and I could certainly say that."

Commissioner Burgess: "I'm not trying to belabor this. I'm just..."

Mr. Hiscock: "No, no. I understand. I understand."

Commissioner Burgess: "...I'm just figuring that there's got to be some difficult financial thing somewhere in here."

Mr. Hiscock: "No."

Commissioner Burgess: "No? Okay."

Mr. Hiscock: "No. I don't think it is. And because it's very consistent with our business case, which was based on a lot of research with respect to pricing, and other public and private bids that have occurred, we feel very comfortable that we're in a financial ballpark very close to the plant. We won't be coming back and asking for additional funding, or anything else."

Commissioner Burgess: "Thank you."

Mr. Hiscock: "Okay."

Commissioner Ayme: "Yes, through the Chair. When the consultant made his presentation, he talked about towers. And we agreed that we have most of the towers from transmissions. Is that right, to... where the equipment has to be placed?"

Mr. Hiscock: "The towers in one system are all under our control."

Commissioner Ayme: "Right. Okay."

Mr. Hiscock: "The other system does not use high towers, but uses lower communication devices; similar, but in that case we will have to negotiate leasing arrangements with private parties. They could be placed on buildings. They can be placed on other utility poles. Right now in Connecticut... or actually nationwide, everyone is allowed to put communication devices on utility poles. And so if we chose that option, we have the absolute right to be there. And it's a standard connection fee; so that we're assured that we will have a communications infrastructure that we can put in place. And the two systems are different, because of the way they communicate; high towers versus lower facilities. That's all."

Commissioner Ayme: "So distance won't be a problem."

Mr. Hiscock: "No."

Commissioner Ayme: "That's where I'm going."

Mr. Hiscock: "No."

Commissioner Ayme: "The distance we be a... because we, obviously we service more a lot more water customers than electrical customers."

Mr. Hiscock: "Yes."

Commissioner Ayme: "And within the City of Norwalk and the area service that we have, the distance will not be a problem."

Mr. Hiscock: "No. Both vendors have done what's called radio propagation studies to make sure that their proposals include the correct number of towers. Both proposals indicate the number of towers upset that we're responsible for, and if the number of towers exceeds the number in their bid, they're on the vendor. So if we needed additional towers, they're not at our expense."

Commissioner Ayme: "My second question is on the batteries that are required. I understood from the presentation from the consultant that the batteries are in fact extremely expensive. Is that right?"

Mr. Hiscock: "No."

Commissioner Ayme: "No?"

Mr. Hiscock: "They're extremely expensive to change."

Commissioner Ayme: "To change? Okay."

Mr. Hiscock: "Right. They're not expensive. The batteries are very inexpensive. It's the difficulty. They're expensive to change. So if you have a battery failure, there's a significant amount of cost involved in putting a new battery in place. That cost is labor and transportation. It is not the battery itself."

Commissioner Ayme: "Do you know every... how often they have to be changed?"

Mr. Hiscock: "They're designed for 20-year life."

Commissioner Ayme: "20 years?"

Mr. Hiscock: "Yes."

Commissioner Ayme: "Oh."

Mr. Hiscock: "Now obviously batteries... some will fail earlier, some will last longer, but you can put a confidence interval around the 20 years, and most of the batteries will live reasonably close to the 20-year life."

Commissioner Ayme: "My other question... my last question, is that the water meters, where the batteries will be located next to, in close proximity or whatever, do we have to... do we have to build any kind of enclosure around the battery to protect it?"

Mr. Hiscock: "No."

Commissioner Ayme: "No?"

Mr. Hiscock: "The battery is enclosed with the radio device. It all goes together as a unit. They can be submerged in pits. It doesn't matter. They're weather proof. They're weather tight."

Commissioner Ayme: "Oh."

Mr. Hiscock: "There are no environmental constraints whatsoever. And they'll operate from about 50 below to about 150 degrees without failure."

Commissioner Ayme: "And the spaces are already there to accommodate the batteries?"

Mr. Hiscock: "Yes."

Commissioner Ayme: "In most cases?"

Mr. Hiscock: "Yes."

Commissioner Ayme: "Or in all cases?"

Mr. Hiscock: "In all cases the spaces are there."

Commissioner Ayme: "Okay. Alright. Thank you."

Commissioner Brown: "Okay, thank you."

Mr. Hiscock: "Okay."

Commissioner Brown: "Shall we go to number six?"

Clean Cities Stimulus Grant / Photovoltaic – Railroad Station

Mr. Hiscock: “Okay. Alright, number six is the Clean Cities Stimulus Grant which we participated in with the Greater New Haven Clean Transit Coalition; and I may have their name wrong, but essentially that is the... it’s the Greater New Haven Clean Cities Coalition, Inc. We, along with the CMEEC office at CMEEC’s expense, and Norwich at Norwich’s expense, paid for a grant application to include the New Haven Clean Cities group. We thought we had a proposal that was going to be, as I used in one of the notes, ‘glitzy’, something that somebody would be interested in. We were going to put a PV, photovol... a PV system on the roof... photovoltaic...”

Commissioner Mann: “Photovoltaic.”

Mr. Hiscock: “...of the roof of the garage. We were going to feed, through solar energy, the battery chargers to charge the cars. We were linking all sorts of great technology. It would have had backup from the grid through the regular electric system. We were all excited when the grant came out, because the New Haven Coalition got the grant. The PV... no, the chargers, and the train station, and the cars were all nicely put into the press release, and when we got down to the final detail, and they started discussing with the Department of Energy, they wiped out the PV chargers and simply wanted us to put in plain vanilla chargers in the parking garage. And we simply decided that there was no reason to do that. For the amount of money that we were talking about, with respect to chargers in the garage, it would have been cheaper just to buy the chargers, to install them, then it would be to put up with all of the federal paperwork, all of the reporting requirements, and everything else required. And there was nothing fancy about it whatsoever. I mean it was simply a plain vanilla battery charger. There are no plug in electric vehicles available at this point in time, and when people start buying plug in electric vehicles, by then we’ll probably have the technology through our AMI system to put in... I know this is going to sound strange, but to put in card swipe, credit card swipe chargers with electrical plugs right on the street or anyplace else. I think that you’re probably aware that the City of Norwalk now does it with electric... with parking meters, and they’re currently doing it now. So adding chargers right on the street to be fed the same way might actually be a business for electric utilities going forward. So when plug in electric vehicles become the thing, we’ll adapt accordingly. So consequently we rejected the grant. CMEEC did the same thing. They rejected a grant for exactly the same reason. The individuals at Norwich were a little unhappy with us, but that’s okay. We simply weren’t going to spend money on chargers that weren’t going to do anything.”

Commissioner Ramirez: “Right.”

Mr. Hiscock: “So I just really wanted to report back to you, and indicate to you, that’s one of the things that can happen in the stimulus. You can get a grant, but the things that you want in the grant, the things that you put in to make it a decent project, get knocked out by somebody else. And it’s very possible that the... and I know I’m crossing two topics here, but the CMEEC AMI project could get knocked or altered in a way that it’s not acceptable. So you know, we’re just going to go through this process and see where it goes. And hopefully we’ll get in a position where we’re going to get some money. But we may not. So we, we... yes, and you saw from the emails in the chain, and I didn’t give you a more formal presentation, but essentially we said no, we weren’t going to do it. So that stimulus application is out the window at this point. And we’re not out a lot of money. It was... our portion was \$10,000 or so to go through the application process.”

Commissioner Ramirez: “(Inaudible).”

Commissioner Burgess: "Well may I say I think that was a good decision."

Commissioner Ramirez: "Absolutely. Yes. That's what I say. It was a very smart way to do it."

Mr. Hiscock: "It would have been great to go out there and say what we were doing, you know, and get all the publicity and all of that. But..."

Commissioner Ramirez: "In reality..."

Mr. Hiscock: "...there's no publicity with respect to chargers."

Commissioner Brown: "Okay, any..."

Mr. Hiscock: "Any other questions; comments?"

Commissioner Brown: "Anything else that you want to take personal privilege, or anything of that sort that you want to do?"

Mr. Hiscock: "No. No."

Commissioner Brown: "Because (inaudible) the General Manager here, so here's your chance. And also, since our public is rather sparse, the next item is... actually, is... well, we get down to the..."

Commissioner Burgess: "I'm going to go get some coffee."

Commissioner Brown: "Well we're getting ready to go into executive session..."

Commissioner Burgess: "Okay [responding to Commissioner Brown]."

Public Participation

Commissioner Brown: "...And I'll call off for a few minutes so that we can do that. Frank [Mr. Zullo], you're a public participation. You... any... this is the area when you can... the public is able to get up and speak its mind, and almost on various topics, and so on. Do you... would you like to testify, or anything of that sort?"

Mr. Zullo: "There's nothing I'd like to testify."

Commissioner Brown: "[Laughing] very well."

Commissioner Ayme: "I'd like to ask for a three minute recess."

Commissioner Brown: "Well let's call off for executive session, and for three minutes."

Commissioner Ayme: "Yes."

GENERAL MANAGER

Land Acquisition

Commissioner Ayme: "I move to go into executive session for the purpose of the land acquisition on the generation..."

Commissioner Brown: "Well I'm glad we are, so I'll be able to see my program."

EXECUTIVE SESSION

The District Commissioners moved into executive session at 8:07 p.m. following a brief recess. The purpose of the executive session was to discuss contracts and contract negotiations related to the acquisition of land.

Present in executive session were Commissioners Brown, Burgess, Ayme, Borges-Lopez, Mann, and Ramirez; General Manager, John M. Hiscock; District Counsel, Frank Zullo and Arthur Miller; and District Clerk, Candace Pampoukidis.

REGULAR SESSION

The District Commissioners returned to regular session at 9:02 p.m. There was no action taken as a result of the executive session.

Commissioner Brown: "Okay. You know the Guiding Light is leaving the air. Okay."

Mr. Hiscock: "Alright, we're ready. No action was taken."

Commissioner Brown: "So ordered. We are back in general session."

Generation Plant Rebuild Project – Update

Commissioner Ayme: "We have to make another motion to go back."

Commissioner Brown: "Well he went through what he was talking about, and I said..."

Mr. Hiscock: "Okay, now somebody needs to make a motion..."

Commissioner Brown: "Make a motion."

Mr. Hiscock: "...to go back into executive session to discuss the power plant contract and project."

Commissioner Ayme: "Alright, so moved to go back into executive session for discussing the generation plant."

Commissioner Brown: "Without objection."

EXECUTIVE SESSION

The District Commissioners moved into executive session at 9:03 p.m. The purpose of the executive session was to discuss contracts and contract negotiations related to the power plant project.

Present in executive session were Commissioners Brown, Burgess, Ayme, Borges-Lopez, Mann, and Ramirez; General Manager, John M. Hiscock; District Counsel, Frank Zullo and Arthur Miller; and District Clerk, Candace Pampoukidis.

REGULAR SESSION

The District Commissioners returned to regular session at 9:16 p.m. There was no action taken as a result of the executive session.

Commissioner Ramirez: "Motion to adjourn the meeting."

Commissioner Brown: "Are we... which session are we in now [laughing]?"

Mr. Hiscock: "We're in general session, and we're ready to adjourn."

Commissioner Ramirez: "We're adjourning the meeting right now."

Commissioner Brown: "Well somebody give a motion to adjourn."

Commissioner Ramirez: "I put the motion to adjourn the meeting."

Adjournment

The meeting adjourned at 9:17 p.m.

Attest:

Candace Pampoukidis
District Clerk