

**CITIZENS' ADVISORY BOARD
MEETING MINUTES
Regular Session**

TIME: 6:30 P.M.
DATE: February 12, 2009
PLACE: Reading Municipal Light Department, Spurr/AV Room
PRESENT: CAB: A. Carakatsane (Lynnfield), J. Norton (North Reading), Q. Vale (Wilmington),
T. Sopchak (Reading), G. Hooper (Wilmington)
RMLD Board: Commissioner Soli
RMLD Staff: V. Cameron, R. Fournier, and P. O'Leary

1.1. Call Meeting to Order – A. Carakatsane

Chairman Carakatsane called the meeting to order at 6:40 P.M.

2. Welcome new CAB Member from Wilmington, George Hooper – A. Carakatsane

Chairman Carakatsane welcomed Mr. Hooper to the CAB.

3. Minutes of Meeting – R. Carakatsane

July 31, 2008

Ms. Sopchak made a motion seconded by Mr. Carakatsane to approve the Regular Session minutes of July 31, 2008 as stated.

Motion carried 4:0:1. (Mr. Vale abstained.)

October 22, 2008

Mr. Norton made a motion seconded by Ms. Sopchak to approve the Regular Session minutes of October 22, 2008 as printed and to accept the RMLD Board of Commissioner's Minutes dated October 22, 2008 regarding the Green Communities Act as part of the CAB's minutes.

Motion carried 5:0:0.

December 9, 2008

Ms. Norton made a motion seconded by Ms. Sopchak to approve the Regular Session minutes of December 9, 2008 as printed.

Motion carried 4:0:1. (Mr. Vale abstained.)

4.4. Update on Financials (12/31/2008) – R. Fournier

Mr. Fournier highlighted the following on the 12/31/08 Financials:

- Month of December shows a net loss or negative change in net assets of \$120,000.
- For the first six months of FY09 net income or the positive change in net assets is a little over \$3 million.
- Budget net income for the first six months was \$1.2 million making net income over budget by about \$1.7 million.
- Difference between the fuel expense and the fuel revenue was \$1.4 million with revenue exceeding expenses. Mr. Fournier noted that fuel revenue and fuel expense is a pass through with no income or no loss.
- Page 11b. Revenues-Base revenues are under budget by \$1.3 million or 6.2%; Actual base revenues for the first six months are at \$19.9 million compared to the budget amount of \$21.2 million. All sections are under budget except for the new school rate, which was just created.

Mr. Fournier stated that since this report was issued, revenue estimates have been re-forecasted and adjusted downward for the upcoming six months due to the economy and conservation.

- On the expense side, Pg. 12a. – Purchased power base expense was \$625,000 over budget due to the increase in transmission capacity costs. Actual purchased power base cost is at \$12.4 million compared to the budgeted amount of \$11.8 million.

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- Operations and Maintenance (O&M) – Under budget by \$300,000. Actual is \$5.1 million compared to the budgeted amount of \$5.4 million.
- Depreciation Expense is on budget.
- Balances (Cash position on Page 9): Operating Fund=\$8.1 Million; Capital Fund=\$4.9 Million; Rate Stabilization Fund (RSF)=\$6.3 Million; Deferred Fuel Fund=\$2.3 Million.
- Fuel charge has been decreasing steadily since the summer high, and it is hoped that it will level off at \$.065.
- Budget Variance Report-All five divisions are under budget.

Mr. Carakatsane asked about the reserve accounts particularly the fuel.

Mr. Fournier stated that the Board mandate was to keep the fuel at \$1.75 million and presently it's about \$2.3 Million. The RSF is \$6.3 Million and the operating fund balance as compared to last year is lower because of funding the Gaw Substation project. The Capital fund is looking strong with \$5 Million in it.

Note: Item 8 was taken out of order.

8.8. FY09 and FY10 Budget Discussion – V. Cameron

Mr. Cameron stated that Mr. Fournier mentioned the re-forecasting of the budget. It appears the base revenues will be down about \$2 Million by the end of the fiscal year, which is about a 4.5% to 5% reduction. Mr. Cameron met with the direct reports and went over all the operating expenses and capital projects and re-forecasted what will be spent between now and the end of the year. He hopes to save about \$500,000. He asked the direct reports to level fund their FY10 budgets. Salaries are based on contractual arrangements with the union. He explained it is a \$40 Million base budget, which includes power supply, operations and maintenance, town payment, voluntary payments, and depreciation. Out of that \$40 Million, \$3.1 Million is what can be adjusted. His target is to level fund the FY10 budget. Outside of the Gaw Substation Project, he is hoping the activity for 2010 will not be more than \$4 Million. He then went over the Gaw Substation Project expenses for FY09 and updated the CAB on its progress.

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5.5. Update on Power Supply – V. Cameron

(Moved to Executive Session)

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6.6. Update on Energy Efficiency Engineer Position – V. Cameron

Mr. Cameron stated that the position was re-advertised and resumes were received, and the position should be filled soon.

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7.7. Rate Change Implementation – V. Cameron

Mr. Carakatsane wanted to know what the feedback has been, and that was discussed under Item #8 above.

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9.9. CAB Rotation Schedule for 2009 RMLD Board Meetings – P. O'Leary

January – Mr. Norton	July – Mr. Norton
February – Mr. Carakatsane	August – Mr. Norton
March – Mr. Norton	September – Mr. Carakatsane
April – Mr. Vale	October – Mr. Vale
May – Ms. Sopchak	November – Ms. Sopchak
June – Mr. Hooper	December – Mr. Hooper

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40.10. Other Items for Discussion

a.a. Twenty-Year Agreement Amendment – V. Cameron

Mr. Cameron stated that once the budgets get done, this issue should be put in the forefront. He then explained the issue to the new CAB members.

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b. Letters to Representative John Tierney

Mr. Cameron discussed the letters regarding oversight of ISO-New England that he would be bringing to Representative John Tierney in Washington, D.C. during the APPA Legislative Rally.

c. Introduction Letter

Mr. Vale has requested in the past a letter going to Wilmington commercials introducing him as the CAB representative.

Mr. Cameron stated that Ms. Gottwald and Ms. O'Leary would put together a press release that would introduce all the CAB members to its current ratepayers and would note that there are two representatives from Wilmington.

11. Schedule Next Meeting

To be determined.

12. Executive Session

Mr. Vale made the following motion seconded by Mr. Norton:

MOVE that the Cab go into Executive Session based on Chapter 164, Section 47D, exemption from public records and open meeting requirements in certain instances, to approve minutes, and return to Regular Session for the sole purpose of adjournment.

Motion carried by a poll of the Board 5:0:0 by a poll of the Board: Mr. Vale – Aye; Mr. Norton – Aye; Ms. Sopchak – Aye; Mr. Hooper – Aye; and Mr. Carakatsane – Aye.

13. Adjournment

Mr. Norton made a motion seconded by Ms. Sopchak to adjourn Regular Session at 8:11 P.M.

Motion carried: 5:0:0.

Respectfully submitted,

John Norton, Secretary

Minutes approved on: 6/15/2009

/pmo

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