

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

TIME: 6:30 P.M.
DATE: Monday, September 14, 2009
PLACE: Reading Municipal Light Department, Spurr/AV Room
PRESENT: CAB: A. Carakatsane, Chairman, (Lynnfield), Q. Vale (Wilmington), T. Sopchak, (Reading),
G. Hooper (Wilmington)
RMLD Board: Chair O'Neill
RMLD Staff: V. Cameron, P. O'Leary, K. Sullivan, J. Carpenter, R. Fournier

1. Call Meeting to Order – A. Carakatsane

Chairman Carakatsane called the meeting to order at 6:37 P.M.

2. Minutes of Meetings – A. Carakatsane

April 13, 2009; April 14, 2009; June 15, 2009

Mr. Vale made a motion seconded by Mr. Hooper to approve the Regular Session Minutes of all three meetings, as written.

Motion carried 3:0:0 for the April 13 meeting with Ms. Sopchak abstaining; Motion carried 4:0:0 for the April 14 and June 15 meetings.

3. Smart Grid Presentation – K. Sullivan, J. Carpenter

Mr. Carakatsane introduced Jared Carpenter, RMLD's new Energy Efficiency Engineer. Mr. Sullivan and Mr. Carpenter presented "Understanding the Smart Grid" to the CAB. Mr. Sullivan stated that this is really two separate pieces put together: 1. Reliability and 2. Energy Conservation. Mr. Sullivan stated there are nine slides and that he would be speaking on Reliability, and Mr. Carpenter would speak on Energy Conservation. (See attached presentation.)

4. Power Supply Update – V. Cameron

Mr. Cameron stated that the RMLD is still following the Power Supply strategy that has been in place for a few years. He stated contracts are in place, and he would give more details in executive session.

Mr. Cameron said that Middleton Electric Light Department is interested in developing a power plant near their substation in the northern part of Middleton. It would be a simple cycle (peaking) plant. They asked the RMLD if we are interested in ownership, and Mr. Cameron is looking into it.

Mr. Cameron said that the RMLD was looking at Concord Steam Plant, who wants to build a new plant south of Concord near Rt. 93. Last spring the RMLD stopped discussions with Concord Steam, because from a price point of view it was not in the best interest of the RMLD.

Mr. Cameron added that the RMLD is also looking at solar development and wind projects in Maine. Energy Services is examining a variety of sources, however, the laddering and layering approach that's been used will continue.

Mr. Carakatsane asked about this summer's load and an increase in capacity.

Mr. Cameron stated that the peak was down about 10-12 megawatts, and noted the sales were down for the fiscal year about 3 ½%, some of which is energy conservation. Mr. Cameron stated that the RMLD would not need an increase in capacity, but that the transmission costs are going up again.

5. Green Communities Act – V. Cameron

Mr. Cameron stated that the Town of Reading applied to be a Green Community. He has been in touch with Mark Sylvia, Director, Green Communities Division, Massachusetts Department of Energy Resources, and asked the question if one community the RMLD services becomes a Green Community and the others do not, does that mean that only Reading would be charged. To do this, RMLD would have to join the

Massachusetts Renewable Energy Trust (MERT) for ½ mil/KWH. Mr. Sylvia stated that all the communities would be charged. Mr. Cameron noted that once the RMLD joins MERT, it is irrevocable. He said that rates may have to be raised, and he does not see the energy conservation charge going away.

Discussion ensued.

6. Year End (June 30) Financials Update – R. Fournier

Mr. Fournier referred to his memo dated August 21, 2009 to the RMLB (see attached) and noted one change since then:

Change in net assets was \$447,000. This figure will be reduced by approximately \$30,000 due to the de-commissioning of the Lynnfield Substation making the change in net assets for FY2009 \$416,000.

Mr. Fournier stated that the total write-off of receivables for this fiscal year is \$232,000, an increase from previous years. He commented that when he hears the Board and CAB speak of additional charges on customer bills, he has reservations. Customers are having a hard time paying their bills and there are more shut offs and 72 hour notices than before.

Mr. Fournier met with the RMLD Board on September 9 to determine the year-end cash transfers so that when the auditors make their presentation on the auditor's statement, the numbers are final. Two transfers are made every year -- the rate stabilization fund (RSF) transfer and the construction fund transfer. The \$416,000 that the RMLD made this year represents about 1% of the allowable 8% that the RMLD is allowed to make. Keeping in mind that the Board likes to keep the RSF between \$6-7 million, a decision was made to transfer \$1 million from the RSF to the Operating Fund, which will reduce the RSF from \$6.2 million to \$5.2 million. Also \$1 million from the operating fund will be put into the construction fund, the source of the capital money. The construction fund balance will then go from \$4.4 million to \$5.4 million. If the capital budget money were completely spent in FY10, it would leave about \$2 million. If any major projects arise, the RMLD will most likely have to bond. Mr. Fournier noted that the RMLD paid off its last bond on September 1, 2009 making the RMLD debt free.
Discussion ensued.

7. Twenty-Year Agreement Amendment – V. Cameron

Mr. Cameron explained the portion (Attachment 4-Long-Term/Short-Term Power Contracts) of the Agreement that needs to be amended due to the present day market. Mr. Cameron stated that 2010 is the year that the Agreement needs to be extended. He still wishes to amend the Agreement, however, he would like to first extend it so as not to have it delayed by an amendment. He added that the amendment had been discussed in prior meetings, and Mr. Carakatsane and Ms. Parenteau created a draft amendment.

Ms. O'Leary handed out the draft amendment, and Mr. Carakatsane briefly explained that the draft amendment would include the CAB approving a policy that would define short-term contracts, and then the RMLD Board would have to approve it.

Ms. Sopchak asked about extension.

Mr. Cameron explained that it is a 10-year notice with a 10-year out and this extension would go to 2030.

Mr. Cameron is not recommending anything be done on the Amendment until the extension is complete.

8. Twenty-Year Agreement Extension – V. Cameron

See #7 above.

9. Other Items for Discussion

a. 2009 NEPPA Annual Conference – September 20-23

Ms. O'Leary stated that four CAB members are registered for the conference.

Mr. Hooper stated that he is unable to attend. Ms. O'Leary will notify NEPPA and cancel the registration.

- b. Mr. Vale stated that the CAB and RMLD have been talking about a Green Power Policy for the Department. Mr. Vale made the following motion:

MOVE that the Citizen's Advisory Board recommend that the Board of Commissioners for the Reading Municipal Light Department adopt a generation portfolio standard including renewable and alternative fuel sources comparable to the standards required of the Massachusetts Investor Owned Utilities pursuant to state law and regulation.

Motion was not seconded.

Mr. Carakatsane asked that additional information be provided to the CAB members before the next meeting.

Mr. Cameron stated that he felt now is not the time to force renewable energy on to our customers, who are already having a difficult time paying bills. He believes it is a dangerous proposition to go under the Renewable Portfolio Standard (RPS) that is being imposed on the investor owned utilities. Mr. Cameron added that the Department is trying to get renewable energy into its portfolio in an economic way.

- c. Mr. Carakatsane asked Mr. Sullivan about the Gaw Station upgrade.

Mr. Sullivan responded that one transformer is in position but not energized at this time. He stated that the project is about a month behind where it was scheduled to be, and that it was too soon to tell how far that will put the project out beyond the existing schedule.

10. Schedule Next Meeting

November 16, 2009.

11. Executive Session

Ms. Sopchak made the following motion at 8:27 P.M. seconded by Mr. Hooper:

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 discuss Power Supply, to approve minutes, and to return to Regular Session for the sole purpose of adjournment.

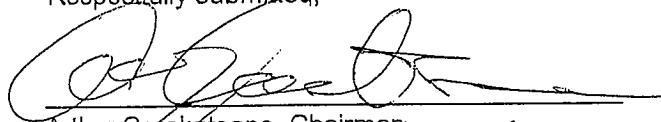
Motion carried by a poll of the board: 4:0:0 – Mr. Vale – Aye; Ms. Sopchak – Aye; Mr. Carakatsane – Aye; Mr. Hooper – Aye.

12. Adjournment

Mr. Hooper made a motion seconded by Ms. Sopchak to adjourn Regular Session at 9:13 P.M.

Motion carried: 4:0:0.

Respectfully submitted,



Arthur Carakatsane, Chairman

Minutes approved on: 11/30/09

/pmo