

**Reading Municipal Light Board**

**Regular Session**

**230 Ash Street**

**Reading, MA 01867**

**October 1, 2003**

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**Start Time of Regular Session: 7:34 p.m.**

**End Time of Regular Session: 9:35 p.m.**

**Attendees:**

**Commissioners:** Hughes, Pacino, Soli, Herlihy and Ensminger

**RMLD Staff:** Messrs. Cameron, Blomley and Fournier  
Ms. Antonio  
Mr. Kazanjian

**CAB:** Mr. Lessard

**Liaison:** Mr. Cummings

**Guest:** Mr. Bill Brown

**Chairman Pacino called the meeting to order at 7:34 p.m.**

This meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners October 1, 2003 is being broadcast live at the RMLD's office at 230 Ash Street, Reading, MA. Live broadcasts are available only in Reading due to technology constraints.

This meeting is being video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield.

**Minutes**

**August 6, 2003**

Mr. Ensminger made a motion seconded by Mr. Hughes to approve the Regular Session meeting minutes with the corrections presented by Mr. Soli.

**Motion carried 5:0:0.**

Mr. Ensminger added he and Ms. Foti discussed the possibility of compressing the substance contained within the minutes to summarize the essence of the presentations and to list the salient items under such items.

**Report of the Chairman of the Board**

**Update on General Manager's Agreement**

Mr. Pacino mentioned the General Manager's Subcommittee met. Mr. Pacino will hold off on this report and will be given later on the agenda.

Mr. Pacino complimented Ms. Gottwald for her presentation on Organization Night on Reading Community Cable Television.

**Selectmen Liaison, Citizen's Advisory Board (CAB) and Customer Comments**

Mr. Pacino polled those in attendance for comments. There were no comments.

Mr. Pacino stated Mr. Fournier is present and items related to him will be taken out of order.

**General Manager's Report**

**RMLD Financials, August 2003**

Mr. Fournier updated the Commission on the status the August 2003, Financials. The base revenue is lower than the projected budgeted revenue due to levelized rates. The kWh sales for 2003 versus 2002 is up a little less than 4% this year on kWh sold. The Purchased Power Adjustment (PPA) which is a credit seen on the ratepayers monthly invoice to date and to date the RMLD has returned \$3.5 million to the ratepayers through the PPA.

## **General Manager's Report**

### **RMLD Financials, August 2003**

Mr. Fournier noted on the operating side expenses are under budget except for the CIBFMS labor hours, which has been mentioned on previous Financials as much capital is being applied to that project.

Mr. Fournier noted hazardous waste clean up is occurring in North Reading which is the line item Maintenance of Line Transformers which is increasing. Other than that all the other expenses are under budget the first eight months of the year.

In preparing the 2004 Operating Budget in the 2003 Operating Budget they were forecasting a transfer from the Rate Stabilization Fund (RSF) \$500,000 to Operating Fund to meet the eight percent return. Mr. Fournier added one change to the Financials based on Mr. Van Magness' request is to see the aging of the receivables. This has been included at the bottom of Page Ten.

A question and answer session occurred.

Mr. Soli inquired relative to the schedule of Operating Cash. Mr. Soli understood there was going to be a transfer out of the Operation Fund after August.

Mr. Cameron replied the 2003 Budget was accepted by the Board and included in the Six Year Plan was a refund to the ratepayers for \$3 million that would be affected some time before the end of the year. In the past Mr. Cameron had said he wanted to be comfortable in our projections by seeing the August Financials. In August with the levelized rates and given eight months actual and four months projected the Department is not in bad shape. It looks like the Department will under recover about \$200,000 or so from the original projection. The Operating Fund is at \$7.8 million right now and the RSF is at \$9.7 million. The \$3 million refund can be given back to the customers. It is in the budget and could be taken out of the Operating Fund leaving a balance a little under \$5 million. The Department would have to get the Board's approval on this and apply the same methodology which was done last year. Pro rating the refund on the sales of the previous twelve months. It was done last year in November and this can be done again. Mr. Cameron feels comfortable based on the August Financials the Department can get through the rest of the year.

Mr. Soli inquired if this should be on the next RMLD Board of Commissioners agenda?

Mr. Cameron replied there is a problem due the scheduling of the next Board meeting, which is not scheduled until November. The Board can vote on this but should give Mr. Cameron a sense as to whether they want to do this or not where it is a large sum of money and impacts the Operating Fund. Mr. Cameron added the Commission needs to meet on the Early Retirement in this month and this can be addressed on that agenda. Mr. Cameron noted the Commissioners have all the information required as they have the Financials and this is all the data he needs. Mr. Cameron added with the amount of activity on the new computer system he needs to know what to do in order to align the correct amount of staff on the MIS and Accounting side in order to get everyone strategically in place to get the refund process underway. Mr. Cameron asked the Commission if they also need more information before the refund is executed.

Mr. Pacino added this could be addressed at the Commissioners meeting on October 16 or October 23.

Mr. Cameron pointed out the meeting is only predicated on the fact that Larry Stone has to get actuarial numbers to him. As soon as Mr. Cameron gets these numbers together a meeting can be scheduled. Mr. Cameron asked the Commission again if there are any further questions on the refund?

Mr. Ensminger inquired how much comes out of the Rate Stabilization Fund versus the Operating Fund or is Mr. Cameron recommending entirely from the Operating Fund?

Mr. Cameron replied entirely out of the Operating Fund. This will leave a balance of approximately \$5 million, which is fine.

Mr. Soli noted the Board has heard various presentations about setting levels for the RSF and it is appropriate for the Board to think about this between now and October 16.

Mr. Ensminger added possibly a mix of the two.

Mr. Cameron clarified decrease either one.

**General Manager's Report**  
**RMLD Financials, August 2003**

Mr. Ensminger replied maybe both.

Mr. Cameron asked Mr. Ensminger if he wanted to refund more than \$3 million?

Mr. Ensminger replied Mr. Soli's presentation suggested a lower number could be supported from a probabilistic standpoint and the RSF. There may be other purposes to which the Operating Fund might need to be applied. To take all that money from this Fund at this juncture may not be the best way to go.

Mr. Cameron replied the Department pays its bills out of the Operating Fund. The Department gets no interest out of the Operating Fund and that the Town of Reading gets the interest. The Department receives interest out of the RSF. Mr. Cameron polled the Commission to ensure everyone was clear on his points.

Mr. Lessard asked of the General Manager is this something he is going to bring forward to the CAB meeting on October 15 so they can make a recommendation to the Board?

Mr. Cameron replied he was not planning on it however, he can. Mr. Cameron added it already has been budgeted and he is not trying to carve the CAB out. Mr. Cameron added the area in which the Board needs to make a decision on is where does it come from. Mr. Cameron can talk to the CAB about this. Mr. Cameron does not want to hold up the process.

Mr. Lessard stated the last time there was a refund the CAB was the one who recommended it to the Commission and he wants to ensure they continue along with that process. Mr. Lessard thought on the meeting of October 15 this could be brought up without long discussion.

Mr. Cameron will make sure this is on the agenda.

Mr. Soli inquired about the Maintenance of Line Transformers because this is considerably above budget. Is this due to one transformer spill? What does it cost the Department for a spill?

Mr. Fournier replied several transformer spills.

Mr. Cameron added it depends on the size of the spill, number of gallons spilled out, the topography and water levels in the area. There are a lot of factors that can impact an oil spill. Oil spills are hazardous waste in Massachusetts whether it is PCP or non-PCP. Mr. Cameron stated the Department uses Licensed Site Professionals who ensure we are handling things in the correct fashion. The site professionals assure that the clean ups are performed according to law. Mr. Cameron added Mr. Donahoe, Station Supervisor is the single point of contact for hazardous waste incidents and he does an excellent job on this. The Department has a record and report on all spills. Mr. Cameron commented the Department has a program where they are checking pad mount transformer locations to make sure outside elements that cause failures are identified and corrected.

Mr. Soli asked if one incident could cost the Department between \$50,000 to \$100,000 or more?

Mr. Cameron replied yes. The Department has a Hazardous Waste Fund. The Department keeps that level at a not to exceed \$500,000 and any incident is taken out of this fund.

Mr. Herlihy expressed his concern about this issue. This was discussed at the CAB meeting he attended about the Capital Budget. Mr. Herlihy commented perhaps the Department is not spending enough money to prevent these events. Mr. Herlihy noted the dry transformer (pods) program the Department has in place would address the locations.

Mr. Cameron replied these locations might not be the best location for these pods. Mr. Cameron noted where there are pumping stations for wells the Department has targeted these pods.

Mr. Herlihy would like to see a strategy and more Board discussion as well as input on how to budget for these events to ensure these occurrences do not happen.

Mr. Pacino inquired of the Board, as how do they want to proceed with the transfer, which will be brought back on October 16?

**General Manager's Report**

**RMLD Financials, August 2003**

Mr. Cameron noted the CAB wants this run by them at their October 15 meeting. This will be on the Board agenda on October 16.

Mr. Pacino added the Financials are on the web site or if they want them e-mailed let Mr. Fournier know their e-mail address.

**Action Items**

**Reading Municipal Light Department's Employee Retirement Trust Transfer**

Mr. Ensminger made a motion seconded by Mr. Hughes to transfer \$846,600.00 from the Reading Municipal Light Department's Employees' Retirement Trust Fund into the Town of Reading Contributory Retirement Board.

**Motion carried 5:0:0.**

Mr. Fournier explained how the Department's calculation is made. Mr. Fournier noted every year the Department's contribution is transferred from the Pension Trust and transferred to the Town. Segal performed the last actuarial study. Mr. Stone from Stone Consulting will be presenting an actuarial valuation of the RMLD Pension Trust during this quarter. Mr. Stone will also be doing the early retirement and the sick leave buy back presentation. Mr. Stone at this point will inform the Department if any annual contribution is required.

Mr. Soli guessed because of interest rates this contribution went up or is it also health insurance costs?

Mr. Fournier replied it is one of the factors plus the recent number of retirees the RMLD has had caused this to increase.

Mr. Pacino added the Town is not fully funded whereas the Department is. Therefore the Department is more subject to salary increase and the number of people as opposed to being more of a level contribution.

**Reading Municipal Light Department Operating Fund Transfer**

Mr. Ensminger made a motion seconded by Mr. Hughes to transfer \$760,223.63 from the Department's Operating Fund and deposit it into the Department's Rate Stabilization Fund. This transfer represents the 2003 MMWEC flush of funds on the recommendation of the General Manager.

**Motion carried 5:0:0.**

Mr. Pacino suggested amending the original motion to add "on the recommendation of the General Manager." Messrs. Ensminger and Hughes were in agreement to amend the original motion.

Mr. Cameron explained the history of the flush of funds with Massachusetts Municipal Wholesale Electric Company (MMWEC).

Mr. Herlihy clarified this is money that ratepayers have paid into this fund and have overpaid this fund.

Mr. Cameron replied it is a reserve fund.

Mr. Herlihy commented that we are going to take these funds and put them in the RSF when perhaps it should be left in the Operating Fund to refund.

Mr. Fournier replied every month the flush of funds is a true up. The Department pre-pays every month and MMWEC determines what the Department actually uses and they true up once a year. This is found under the pre-payment of purchase power. Mr. Fournier further explained why and where the monies are transferred.

Mr. Herlihy added he thinks the RSF is doing fine and does not support putting any more money into it. The money should be going back to the ratepayers.

Mr. Fournier replied at some point you can however; this is the accounting of it.

Mr. Pacino noted it could go back and this only represents an interim step. Mr. Pacino pointed out this flush of funds is there in the event there was a serious accident MMWEC would use these funds.

## **Action Items**

### **Reading Municipal Light Department Operating Fund Transfer**

Mr. Cameron added from now to 2017 the Department owes \$75 million on these bonds. The Stonybrook Peaking and Intermediate projects are paid out in 2007 and Millstone and Seabrook will be paid in 2017.

### **Reading Municipal Light Department General Manager's Agreement**

Mr. Soli gave a report of the Subcommittee by stating the Subcommittee has met a couple of times since the last meeting. The Subcommittee thought they were there but there are still a few loose ends and they will be scheduling hopefully one last meeting. Then they can bring forth the Agreement forward for full Board action. They wish they were done, but unfortunately some loose ends came up.

Mr. Hughes made a motion seconded by Mr. Herlihy that the Reading Municipal Light Department General Manager's Agreement be tabled until the next Board meeting so further discussion ensues amongst Board members.

**Motion carried 4:0:1. Mr. Soli abstained.**

Mr. Ensminger added for the benefit of the Board, could all the comments on the GM Agreement that came in from all parties be made available to all members so they can understand the full spectrum of issues from the CAB and the Town of Reading. Mr. Ensminger has not seen such comments.

Mr. Pacino replied there were no specific comments from the CAB as a whole. They were individual comments.

Mr. Ensminger commented each Board member should be aware of the comments and funnel their input to Mr. Pacino so they can have a timely resolution.

Mr. Hughes inquired if it would be the desire of the Board to have a separate meeting to address this or in open meeting at the next meeting?

Mr. Pacino replied there are concerns that have been raised by the members that need to be discussed and resolved on October 16.

Discussion ensued on providing Board members timely revisions of the General Manager's contract. Mr. Soli will accommodate the Board's request.

### **Release of Executive Session Meeting Minutes February 5, 1996 to November 7, 2002**

Mr. Ensminger made a motion seconded by Mr. Hughes that the Reading Municipal Light Department Board of Commissioners approve and release of the Executive Session meeting minutes from February 5, 1996 through November 7, 2002 in which all items held in Executive Session have been resolved subject to changes of a clerical nature.

**Motion carried 5:0:0.**

Mr. Pacino went through the 1996 to 2002 Executive Session meeting minutes and the issues have been resolved therefore they are being released. Mr. Pacino added some of these minutes may have been released but to ensure they are covered they will be released again.

Mr. Hughes wanted Mr. Pacino to reiterate why it has taken so long for some of these Executive Session meeting minutes to be released due to cases being closed.

Mr. Pacino stated there were some open cases particularly one case, which hampered the release of these minutes; therefore they could not be released. Mr. Pacino is under the impression the CAB is in the midst of a similar process to release their Executive Session meeting minutes.

Mr. Soli noted there were number of typos and out of order items.

Mr. Pacino noted the Department would address Mr. Soli's concerns.

Mr. Cameron added the Department would handle the necessary adjustments.

Mr. Cummings questioned the motion to release is significantly different, are you proposing to change some of the minutes now?

## **Action Items**

### **Release of Executive Session Meeting Minutes February 5, 1996 to November 7, 2002**

Mr. Pacino replied they are only doing clerical changes.

Discussion ensued on the release of the Executive Session meeting minutes.

## **General Manager's Report**

### **2004 RMLD Operating and Capital Budgets**

**The Citizen's Advisory Board has begun the thirty-day review process.**

Mr. Cameron stated that the 2004 RMLD Capital and Operating budgets were given to the Citizen's Advisory Board for their thirty-day review process. The CAB had their first meeting on Monday, September 22 and they made it through the Capital Budget. Mr. Cameron noted the upcoming CAB meetings are October 15, 22 and 29 which may be held outside Reading in the other service territories in order to comply with the Twenty Year Agreement. The Operating Budget will be discussed at the October 15 meeting. Mr. Cameron plans to adhere to the schedule Twenty Year Agreement and get these budgets to the Board by November 1. The Board will meet on November 5 on these budgets.

Mr. Hughes wanted to know when the Subcommittee would receive the budgets to review?

Mr. Cameron explained the process used in the prior years joint meetings with the CAB and RMLB. This process however fell apart. This year the Subcommittee can have the budgets now to get a head start. It will be the same as the CAB. Mr. Cameron will provide these if desired to the Subcommittee.

The Subcommittee members as well as the Board were in agreement with this.

### **RMLD Reorganization Update**

Mr. Cameron brought back a reorganization update based on the comments from the Board requesting a dotted line from the Accounting Manager to the Board of Commissioners and a dotted line from the Accounting Manager to the General Manager. Mr. Cameron has not changed the reorganization only the dotted lines to where the reporting would go right now.

Mr. Ensminger inquired how does he see this play out day to day? What does the dotted line mean specifically?

Mr. Cameron replied the Accounting Manager is given the responsibility to come to the General Manager or the Board of Commissioners if there is something that needs to be reported if there is a problem reporting it to the Business Manager. There are two dotted lines if this person has a problem coming to the General Manager with a particular piece of information because he or she can go to the Board of Commissioners.

Mr. Pacino added there are regular meetings between the Accounting Manager and the Board according to Policy 19.

Mr. Cameron replied the model is they have a meeting quarterly. There have been two meetings to date. They are waiting for the September financials to come out for the next meeting.

Mr. Soli suggested to Mr. Pacino that he could replace him for the next meeting, as they are both members of the Audit Subcommittee.

Mr. Herlihy inquired how many positions currently exist at the RMLD and how many will after the reorganization? It looks like new positions are being added.

Mr. Cameron replied right now there are three positions that are not filled, Meter Supervisor, Business Manager and the Engineering and Operations Manager. If all three were filled from the outside there would be three additional positions that would be the most. Mr. Cameron is interviewing inside now. Mr. Cameron has interviewed for the Meter Supervisor and Business Manager position.

Mr. Pacino inquired if you hire the Meter Supervisor from within will you replace that vacant position?

October 1, 2003

**General Manager's Report**  
**RMLD Reorganization Update**

Mr. Cameron answered he would have to get back to them on this.

Mr. Herlihy inquired why would there be the need to add positions given the workload? Mr. Herlihy stated there is the need to draw the line not back fill positions if promotions occur internally.

Mr. Cameron inquired of Mr. Herlihy what do you mean by "given the workload"? Is there not enough work for these people?

Mr. Herlihy commented is there enough work to justify hiring three new people to the Department? Mr. Herlihy does not think this is the case.

Mr. Cameron replied he does not want to discuss that right now.

Mr. Ensminger commented the position description he had asked for would be forthcoming.

Mr. Cameron replied he did not add them in Board books. The position descriptions will be in the mailboxes tomorrow morning.

Mr. Ensminger commented the Engineering Operations Manager is narrowly focused on engineering type issues. Could not the position of Engineering Manager fill this at a different rate of pay? Why do you need a whole new person in that position? It is engineering focused and vertical. There is a person that has a great deal of experience from what he understands.

Mr. Cameron inquired who is that person?

Mr. Ensminger replied it is Mr. Carson.

Mr. Cameron replied he is a candidate for that position. Mr. Cameron does not want to discuss this in Open Session as it involves people and positions. Mr. Cameron commented if it is necessary to hire people than it will be done.

Mr. Ensminger wanted a date Mr. Cameron would get back to them on this.

Mr. Cameron noted he is conducting interviews for the E&O position next week and hopefully he will make the decision to hire within the next couple of weeks. Mr. Cameron pointed out to the Commission in the *APPA Newsletter* there is an article by Carl Mykoff, who has been placing people in utilities for twenty-five years. Mr. Mykoff in his article pointed out there is a certain expertise required in the electric utility industry. The RMLD is a \$65 million company. Mr. Cameron has no problem running the Department on a shoe string and he has no problem with it but everyone has to step up to the plate and say this is what is going to happen. Mr. Cameron noted there would be reliability and customer service problems. If there are outages they might not figure out what is going on. Currently, Mr. Cameron has a real good technically able company. Mr. Cameron added if the Board wants to cut people he will. These three people will be integral to the operations.

Mr. Ensminger replied he is not saying cutting people. Mr. Ensminger pointed out you are rearranging positions to lessen your direct reports and there is no statement of additional work for the newly created positions. There has to be a scenario running the Department smarter with the same number of people not cutting people.

Mr. Cameron replied he couldn't say that the Department has any more people than it needs. Mr. Cameron added he was running the Engineering, Energy Services and MIS side was too much for one person. What Mr. Cameron is trying to do is get strong management in place. Mr. Cameron cannot tell Mr. Ensminger whether three more people will get hired.

Mr. Pacino added three individuals are gone and those positions have not been replaced those positions. Mr. Pacino pointed out this represents a wash if you are hiring three more people, as the previous three were never replaced.

Mr. Cameron stated he is very cost conscious and the employees will tell you that.

**General Manager's Report**  
**RMLD Reorganization Update**

Mr. Pacino noted that if you hire from within you might exact some savings by not replacing that individual and spread those responsibilities among other individuals. That is what the Board is saying.

Mr. Cameron added the Department is down one Administrative Assistant.

Mr. Herlihy noted this argument that was brought forward by CAB member Fred Van Magness at the last CAB meeting which he attended and it is an issue of how much work we have to go outside contractor which is represented in the Capital Budget. Mr. Herlihy added it is a good Capital Budget. Mr. Herlihy would like the Department to be self-sufficient Light Department in that it can do all the work it needs to itself without outside contractors in the future. Mr. Herlihy would like the Department to reduce its reliance with underground technicians. Mr. Herlihy would like to see the Department not go outside but if the Department needs more people they need to have these discussions. Mr. Herlihy pointed out he would like to see the overtime cut down every time an outside contractor has to work on a Saturday. If there is a way for our employees to perform all the work here required. The size of the labor force has to be considered where it comes from, how it is trained, what it can do, what it will do in the future. Does the Department have enough, not enough, too many people working here? Mr. Herlihy does not believe there are too many people working here. Mr. Herlihy is not talking about employees losing jobs. Mr. Herlihy noted he has not seen much of blip in service minus those three people.

Mr. Ensminger asked the question a couple of sessions ago what work did not get accomplished at the Department by virtue of those positions not being filled. Mr. Ensminger did not quite get an answer.

Mr. Cameron replied those three individuals were managers. Mr. Cameron added the same amount of work was accomplished because he took over all those management responsibilities except for the Field Services Manager, some others took that on. For the most part Mr. Cameron took on the two Assistant General Manager's responsibilities as General Manager. Mr. Cameron noted the work got done but it is not a classic management structure with fifteen people reporting to him. Mr. Cameron will try not to hire from outside but if he has then he has to. Mr. Cameron is not going to stay inside and appoint people if he does not think they are qualified for the sake saving positions.

Mr. Soli commented that he understands from where Mr. Cameron speaks. Mr. Soli reiterated his experience at Raytheon as a new section manager and times were tough. The decision made by Mr. Soli's managers was that they did not want to make any new managers. Mr. Soli instead of overseeing fifteen to eighteen people, he ran forty. Mr. Soli noted the work got done but he was frazzled. All you could do under such a situation is be a fireman. Long-term issues were not addressed because of the lack of time. It would be one fire after another to put out. In the short term yes it can be done but in the long term, who is planning the future and its needs. Who is dealing with the burnout? Mr. Soli added the remainder of the employees are frazzled and are counting the days to retirement because they do not have much other choice.

**RMLD Early Retirement Incentive Program**

**Mr. Cameron attended a Reading Board of Selectmen meeting on September 23, 2003, on this issue. A Warrant Article on this issue will appear on the Town of Reading, Subsequent Town Meeting in November, 2003. There will be a Reading Board of Commissioners meeting on this issue.**

Mr. Cameron added the State has passed a Municipal Relief Bill and one section of this bill deals with adding five years service to eligible employees in the municipal cities in towns in Massachusetts for their retirement. Mr. Cameron noted this was proposed last year and the Town of Reading turned it down. The bill has been rewritten this year so it can be done by Department. Mr. Cameron has Stone Consulting performing an actuarial study on the eligible employees. Mr. Cameron noted they would develop the additional cost of getting this five-year retirement versus retiring under the plan as it is. Mr. Cameron will put this information into his analysis and bring it to the Board. Mr. Cameron pointed out he and Chairman Pacino went to the Selectmen's meeting last week and this has been put on the Warrant for Subsequent Town Meeting in November. What happens in the retirement bill, is that either Town Meeting before November 1 or the Selectmen after could accept this program in its entirety. If it is done by Department then they have to go to the Selectmen and Town Meeting for approval. Mr. Cameron's schedule is to present this to the Board with the actuarial study findings as part of the cost benefit analysis to see if there is any savings. If there is no savings it stops. If there are savings and the Board wants to go forward with this then the Board needs to request this be put on the Selectmen's agenda. If the Selectmen accept this then it goes to Town Meeting.



### **General Manager's Report**

#### **RMLD Early Retirement Incentive Program**

Mr. Cameron attended a Reading Board of Selectmen meeting on September 23, 2003, on this issue. A Warrant Article on this issue will appear on the Town of Reading, Subsequent Town Meeting in November, 2003. There will be a Reading Board of Commissioners meeting on this issue.

Mr. Ensminger inquired on the timetable. It needs to be brought to the RMLD Board if they accept it then it goes to the Reading Selectmen before November 1 and if they accept it then it goes to Town Meeting.

Mr. Pacino added the Board will be meeting on October 16 to say yes or no. If the Commission says no it is gone and it dies at this level. If the Commission agrees to this then it needs to go the Selectmen before November 1 then it proceeds to Town Meeting. In terms of the Warrant Article, it is to hold the place on the Warrant in order to ensure we comply with the closing of the Warrant.

Mr. Hughes inquired if this needs to be approved by all the employees in the Department or can an individual employee take advantage of this?

Mr. Cameron replied no. Mr. Cameron has the option of doing up to five years. It is broken out by Group 1 and Group 4. Mr. Cameron further explained how the retirement is offered to employees. It does not target individual employees.

#### **RMLD Electric Service at the new business park in Reading**

Mr. Cameron added Mr. Herlihy wanted an update on this be presented to the Board. Mr. Cameron updated the Board on the work involved, which involves primarily reconductoring some distribution lines. This process will take a couple of weeks and they have the design. The Department needs to obtain an easement and Mr. Blomley is working on this.

Mr. Herlihy expressed concerned given its geography relative to the reliability of this line.

Mr. Cameron assured Mr. Herlihy that the Department has options relative to this line and its impact on reliability.

#### **Meeting with Town of Reading School Superintendent Patrick A. Schettini, Jr. relative to energy efficient measures for new schools.**

Mr. Cameron noted he had a meeting with Pat Schettini relative to energy efficient measures for new Town schools. Mr. Cameron updated the Commission that work is being done on the Dividend and High School, which are new schools. There is also work being conducted at the Barrows School. Mr. Cameron pointed out they met with the Architects, the Facilities staff and the Town Engineer concerning work on the schools. Mr. Cameron added the Department would pledge whatever expertise they had in Engineering and Energy Services. The Key Account Managers Joe Bilicki and Michele Benson were in attendance as well as Paul Carson, Engineering Manager.

Mr. Herlihy added he attended the School Committee meeting last evening and spoke as a citizen and his message was that it would be a shame not to take advantage of the expertise and talent of the employees at the RMLD.

#### **RMLD Halloween Party, October 30, 2003**

Mr. Cameron reminded the Commissioners that the Halloween Party is October 30 and is at the RMLD at 2:00 p.m. to 5:00 p.m.

#### **Energy New England (ENE)**

**This item has been moved to Executive Session to discuss a competitively sensitive issue.**

Mr. Pacino noted this is a sensitive item that will be discussed in Executive Session. This is for information purpose only.

#### **Board Discussion**

**Rotation of Citizen's Advisory Board (CAB) attendance by RMLD Board of Commissioners**

**Upcoming meeting dates: October 15 in Wilmington, October 22, and October 29 location to be determined.**

The Commissioners will be attending as follows: Mr. Ensminger, October 15, Mr. Soli, October 22 and Mr. Hughes, October 29.

### **Board Discussion**

Mr. Ensminger inquired on the General Manager's Agreement. Will this be discussed at the Citizen's Advisory Board meeting?

Mr. Cameron replied comments already went to the Board.

Mr. Ensminger was unsure if this was going to be taken up as a Board.

Mr. Pacino replied the comments came back individually from the CAB members to the Board.

When Mr. Herlihy went to the CAB meeting the North Reading representative pointed out to him it is difficult for them to meet the way the Board has scheduled meetings. The Board has not had a set rotation.

### **Rate Comparisons, September, 2003**

Mr. Cameron noted in September the fuel charge went to 4¢ a kilowatt-hour and it bumped up the RMLD 5% over Peabody and 10% over Middleton. RMLD is still lower than Wakefield, Massachusetts Electric and NSTAR. Time of Use Rate the RMLD is below everyone except Middleton by 7%. Commercial is the same except the RMLD is 3% above Middleton. The Industrial Time Of Use below everyone except Middleton by 6.28%. The Department is heading in the right direction. The fuel charge seems to be stabilizing at 4.0 to 4.25¢ a kilowatt-hour in the long run.

Mr. Cameron thought he would have a draft on the Cost of Service Study. The new rates will not be enacted until the first part of next year due to the new computer system. Mr. Cameron added there is a school rate being proposed. The General Managers in Massachusetts e-mail each other and a Manager asked for information relative to municipal rates. In Chapter 164 Section 58, it states you have to set your rates at production cost unless you have it in writing from the DTE that you are going to set your rates less than production costs. If you want to have discounted rates you have to go to the DTE which means the DTE will know that there is cross subsidization between customer classes. The DTE will want the ratepayers to know they are subsidizing a certain customer class.

### **Next Meeting Dates**

#### **RMLD Board of Commissioners Meeting**

October 16, 2003 (Early Retirement Presentation)

Regular Scheduled Board Meeting, Wednesday, November 5, 2003

### **Executive Session (General Manager's Conference Room)**

At 9:12 p.m. Mr. Ensminger made a motion seconded by Mr. Soli that the Board go into Executive Session to discuss strategy with respect to litigation, discussion of a competitively sensitive issue, discuss collective bargaining and to return to Regular Session for the sole purpose of adjournment.

### **Mr. Pacino called for a poll of the vote:**

Mr. Soli Aye; Mr. Herlihy Aye; Mr. Pacino Aye and Mr. Hughes Aye; and Mr. Ensminger Aye.

### **Motion to Adjourn**

At 9:35 p.m. Mr. Soli made a motion seconded by Mr. Hughes to adjourn the Regular Session.

**Motion carried by show of hands 5:0:0.**

A true copy of the RMLD Board of Commissioners minutes as approved by a majority of the Commission.

Daniel A. Ensminger, Secretary  
RMLD Board of Commissioners