

**Reading Municipal Light Board of Commissioners**

**Regular Session**

**230 Ash Street**

**Reading, MA 01867**

**April 21, 2004**

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

**End Time of Regular Session: 9:30 p.m.**

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**Attendees:**

**Commissioners: Pacino, Herlihy and Ensminger**

**RMLD Staff: Messrs. Cameron and Blomley  
Meses. Antonio and Gottwald**

**CAB: Messrs. Norton, \*Carakatsane and \*Lessard**

**Liaison: Mr. Duffy**

**Guest: Ms. McIsaac-Hughes  
Mr. Coumoundouros**

**\*Messrs. Carakatsane and Lessard were in attendance for only the presentation part of the meeting.**

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

This meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners April 21, 2004 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.

This meeting is being dedicated in memory of Commissioner, William J. Hughes, Jr., for his commitment and service to the Reading Municipal Light Department, its employees and ratepayers.

**RMLD Commissioners Hughes and Halloran**

**Tribute to Vice Chair, Bill Hughes**

Mr. Pacino had a couple of things to review relative to the events of the night Bill died and a tribute to his friend Bill. Mr. Pacino noted Bill was in the Conference Room where the Commission signs the warrant that night. Mr. Pacino came in about 10:15 p.m. Bill was in there. Bill and Mr. Pacino talked about the warrant and was there anything Mr. Pacino should be concerned with in the warrant and also talked about some policies that night too. And basically the warrant has always been available for the Commissioners to sign over the weekend and he was there to sign the warrant that night. They also talked about different issues. Mr. Pacino talked about a few things going on and Bill related a few stories to Bill. Mr. Pacino noted Bill was helping a widow, which is typical Bill, and he left Bill at 10:40 p.m. and he was fine.

Mr. Pacino received a call from the General Manager the next morning at 7:00 a.m. Bill had past away during the night. Mr. Pacino lost a friend that night. Mr. Pacino noted seeing Bill at the wake, he saw Bill the soldier. Mr. Pacino added this is not the Bill he knew. The Bill he knew was a political activist. The Pacino family and the Hughes family go back a long way. Mr. Pacino's father worked for Bill when was he was the Chairman of the Recreation Committee. Mr. Pacino's father told him that Bill would give you the shirt off his back. Mr. Pacino noted Bill was always considered a family friend over the years. Mr. Pacino commented that Bill at times was contentious with this Board, we had our battles, but at the end at the end of the evening we were friends. Even though our battles were in the public we shook hands at the end of the night. Bill came to the Board in 1989 and served fifteen years on this Board. Bill goes back to the time of the Wilmington settlement. Bill was part of that settlement. In 2002, following the problems the Department had he and Bill and put their heads together to work as a team to get the ship going forward. In the three years Mr. Pacino worked with Bill on this issue it was the last two years the ship has gone forward. Bill put the General Manager's Search Committee together himself. Bill was instrumental in getting the people to serve on that Committee. It resulted in a good selection and the Department has moved forward. Mr. Pacino believes it is interesting that God has a purpose for all of us. At the last meeting Bill was the Chairman because Mr. Pacino could not make the meeting.

**RMLD Commissioners Hughes and Halloran  
Tribute to Vice Chair, Bill Hughes**

Mr. Pacino added that Bill wanted to be Chairman and after Chairman Pacino had stepped next year Bill could be Chairman again. Mr. Pacino added Bill said this was going to be his last term; he was going to move on after this term. It is interesting he got to Chair his last meeting. It is a very appropriate and a very nice thing God had a purpose for that meeting. Mr. Pacino just wanted to say he is saddened and his family is saddened because many of us knew Bill for many years. Mr. Pacino lost a friend. Mr. Pacino will miss him. It won't be the same for him. Mr. Pacino looked forward to his meetings on Sunday nights as they used to talk about many things. They would talk about some department and non-department business. Mr. Pacino looked forward to those meetings over the last two years. Mr. Pacino will miss those meetings.

Mr. Ensminger noted for those of you who might not know the other side of Bill, he just wanted to go through his varied experiences in life. Bill had a full life. Mr. Ensminger pointed out that Bill was a decorated US Marine Corp veteran. Mr. Ensminger remembers once he made the mistake of calling Bill an ex Marine, Bill told Mr. Ensminger that there is no such thing as an ex Marine only a retired Marine. Mr. Ensminger pointed out that Bill was a career Marine as well as a past grand knight of Reading Knights of Columbus Council 1031, he was commander of DAV Navy Yard Chapter, member of the First Marine Division Association and also served on the Board of the L Street Brownies and was taking the annual dip in January. Mr. Ensminger noted that Bill also participated in the Boy Scouts Troop 702 and left his mark there. Mr. Ensminger added Bill belonged to the Red Cross and was former Chairman of the RMLD Board. Mr. Ensminger during his tenure as a Selectmen remembers Bill served on the Recreation Committee. Mr. Ensminger commented that Bill ran for numerous political offices, and he was extremely interested in public service. Mr. Ensminger highlighted that Bill was a member of the Irish American Club and a Town Meeting Member. Mr. Ensminger noted Bill was a former employee of the Massachusetts Water Resources Authority and for many years prior to him being on the Board, an employee at the RMLD. During the Vietnam War, Bill proudly and bravely served two tours. Bill was an Officer in the National Service Office of Military Order of Purple Heart. Mr. Ensminger remembers appointing Bill as Constable of Middlesex County and served as a Notary Public. There are a couple of very nice family tributes Mr. Ensminger would like to share. Mr. Ensminger obtained these through the wonders of technology, which Bill abhorred, on the website of the Doherty Funeral Home certain tributes were posted. Mr. Ensminger noted one was from a family friend to his daughter Tracey that person wrote, "Your father was very kind to everyone in the neighborhood. I can remember him watching us walk to school or taking swimming lessons in the summer and saying hello each morning. I loved going over to your house because your parents were so kind to me. I am sure your other friends felt the same way. The neighborhood will miss him as an active member of the community and especially as a decorated veteran. Losing a parent is never easy. I am sure you have lots of great memories to cherish. Another one is from a good friend in Reading; "Hughes was a good man. Always there when we needed him. We are going to miss Bill's frequent phone calls not to talk about anything specific but just checking in. Our Sunday morning glass of orange juice, Monday night talk about the state police, Tuesday, Wednesday, etcetera, etcetera. What can I say; he was a fixture in our home. We are going to miss gathering around the TV during the week to see what Bill had to say as a Reading Light Board member and ratepayer. He always spoke with the ratepayer in mind. I could go on and on but am going to keep those memories near and dear to my heart. We are going to miss him dearly." Mr. Ensminger added, to him, Bill was the epitome of commitment to God, commitment to country and certainly community in his many years of service, to his family and to his friends. Mr. Ensminger added Bill could have a gruff exterior but there was a very caring individual. Mr. Ensminger noted Bill took a lot from our discussions; he gave back in good measure and took back in good measure. Mr. Ensminger pointed out Bill was a good listener. Mr. Ensminger added you could tell Bill where to sit but not where to stand. Mr. Ensminger noted Bill took his job as a Commissioner very seriously. Bill spent many hours in this building talking to staff and caring very deeply about the employees here. Mr. Ensminger wanted to leave everyone with the clear notion of how much Bill did care for the people at the Department and how he set a good example in that regard for the rest of us. Mr. Ensminger will miss Bill and wish the best to his family. Semper Fi my friend wherever you are.

Mr. Herlihy has been thinking of what he was going to say at this meeting for a couple of weeks and he still he could not put pen to paper but, a number of thoughts came to mind. Mr. Herlihy was deeply saddened, by the loss of our fellow Commissioner. Mr. Herlihy would like to think that Bill Hughes thought of himself a couple of years ago when he came on the Board as a young Commissioner. Mr. Herlihy noted Bill was one of the first to welcome him to the Board and would not just like to think of him as an ally but a friend. Mr. Herlihy will miss seeing Bill when he comes in. Mr. Herlihy can never recall when Bill was disappointed in seeing anybody, he was always happy to see you. Mr. Herlihy noted they talked a lot about Volvos, affairs in town and national politics. Mr. Herlihy is going to miss Bill on a personal level. On the Board he is going to miss being with him at the meetings. Bill could turn any word into a verb and sometimes the syntax would get a little butchered. Mr. Herlihy added that Bill taught him some of the most important lessons he has learned since he has come to the Board. The primary message Bill had was the most important being the Reading Municipal Light Department isn't about trucks, wires, transformers, purchase power agreements, it is about people.

**RMLD Commissioners Hughes and Halloran  
Tribute to Vice Chair, Bill Hughes**

Being in government, Mr. Herlihy looks at systems. Bill was always there making sure that he never forgot it was the humanity and the little guy behind our decisions that had the most impact. Bill constantly stressed that in everything he did, it was the impact on people and the little guy who he stood up for. Mr. Herlihy added Bill did not suffer tyranny gladly, did not suffer fools gladly and did not suffer phonies. Bill stood up for what he believed. He was a great inspiration to Mr. Herlihy. He will miss him very much. Mr. Herlihy has two other business related comments relative to Bill and is unsure if he should make them known now or at another point. The two points are this, Mr. Herlihy serves on the Public Relations Subcommittee with Bill and again he had a great deal of concern about the image of this Department, not as a Department, but how the people that worked here and the people that we served were being represented by what the Department did. Mr. Herlihy noted more than himself, Bill had a great deal of oversight on the production and construction of this year's Annual Report. Mr. Herlihy asked and the General Manager agreed that we would dedicate this Annual Report this year to Bill Hughes. That is very appropriate. Mr. Herlihy will save his other comment for later this meeting. Mr. Herlihy will miss Bill tremendously.

Mr. Cameron noted he did not know what to say after all those comments. Bill served the RMLD Board from 1989 to 2004. As been mentioned previously by Mr. Ensminger as you could tell Bill where to sit but not where to stand. Mr. Cameron added Bill always took a stance on issues he believed in and sometimes Bill was perceived as a hard liner but it was Bill's nature to stick by his beliefs and that is the measure of a man. Bill was also a stickler for detail. Bill would always let you know if a streetlight was out or the light at the Veteran's Memorial was not done properly shining on the Memorial. Bill would also let you know if the work was not done in a proper manner or if it was not on time, on his time. Mr. Cameron added he was very serious and determined when he took over the Chairmanship of the RMLD Board in 2002. That was a difficult time. Mr. Cameron pointed out Bill never took his eye off the target which in his words "were righting the ship" Bill used nautical terms frequently. Mr. Cameron believes Bill did a commendable job that year in "righting the ship". Bill took customer service very seriously, too. If a customer came to Bill with a complaint he always made sure that the issue was resolved in a timely manner. Bill never wanted the RMLD to look bad. Lastly, Bill was always concerned about the employees of the RMLD. Bill was always mindful to ask how they were doing and made sure employees were being treated properly and with respect. Personally, what Mr. Cameron saw in Bill as a Commissioner, was a man who wanted to make sure that all aspects of the RMLD were seen in a positive light to the public. That was very important to Bill. As Mr. Pacino had spoke about earlier, one of Bill's last tasks in life was to make sure the payables were signed for the RMLD. The only thing Mr. Cameron can say, of course, is Bill you will be dearly missed. Thank you.

Mr. Pacino noted that it has been a tradition that when a member leaves the Board a meter lamp is awarded to him or her. Mr. Pacino stated this is being awarded to Judy his widow in tribute for his service and commitment that Bill had to the Department for over fifteen years.

Ms. Judy McIsaac-Hughes thanked Mr. Pacino. Ms. McIsaac-Hughes said that the ratepayers and the workers of the RMLD have lost their most fervent, articulate, and passionate advocate they had. They will miss him dearly.

Mr. Pacino pointed out the poster of Bill, which will be in the Annual Report.

**Remembrance of Daniel W. Halloran, former RMLD Commissioner**

Mr. Pacino noted Dan Halloran is another former Commissioner who served on this Board who recently passed away. Mr. Halloran lost his battle against cancer. Mr. Halloran served for a year and was appointed. Mr. Pacino added Mr. Halloran did not run for election due to his illness. Mr. Halloran was also a Constable.

Mr. Cameron added Mr. Halloran was appointed to the Board in 2001. Mr. Cameron noted Mr. Halloran was dedicated to his task and he asked a lot of questions until he understood the issues. Mr. Cameron pointed out that Mr. Halloran spent a great deal of his time in the trucking industry and brought some innovative ideas to the RMLD from the trucking industry. Both Messrs. Hughes and Halloran were constables and passed away on the same day. Mr. Cameron thought Mr. Halloran was a good man from the day he met him and was an asset to the RMLD Board.

**Report of the Chairman of the Board**

Mr. Pacino noted the first two items have covered it.

**Donation Request Hunt Park, Peter Coumoundouros**

**Mr. Coumoundouros requested to be on the agenda.**

Mr. Coumoundouros thanked the Board for their time. It is sad and ironic that the passing of Bill would be on the agenda tonight. Mr. Coumoundouros noted that Mr. Hughes first contacted him when they were going through the project initially as he saw their press release in the paper. Mr. Hughes offered to help, as there were a lot of new faces on the Committee. Mr. Coumoundouros was told by Mr. Hughes to look at the car with the flag on it. Mr. Coumoundouros was not sure what Mr. Hughes meant until he ran into him at Dunkin Donuts. They spent a couple of hours talking about ideas for a broad base group of young parents in town. Mr. Hughes gave him a lot of ideas such as a place to start and things to consider relative to the project. Mr. Hughes initially met with this group and now they have taken this to the next level. Mr. Coumoundouros extends his condolences.

Mr. Coumoundouros noted they have a location. The location is on Pleasant Street and Eaton Street behind Little League field at the end of Wilson Street. It is an outdated playground area with old equipment that is dangerous to use and does not meet regulations. It is unsafe in general. They have gone through the approval process with the Conservation Committee, Recreation Committee and have received approval as well working with Peter Hechenbleikner who helped coordinate some of these things. Their objective is to put this playground in place as a family location. They are making a request to the RMLD for a one-time donation towards help fund a piece of equipment. The RMLD would get exposure, signage, and positive exposure by showing the RMLD logo. It would have a long time, ongoing and perpetuity with a one-time donation. Mr. Coumoundouros broached this with Bill and how it could have a positive effect for the RMLD. It could be a win-win for both parties.

Mr. Cameron noted he received a letter from Mr. Coumoundouros requesting a donation of \$20,000. Mr. Cameron had spoke with Mr. Hughes as the Friends of Hunt Park had contacted him. Mr. Cameron told Mr. Hughes that the Department couldn't make donations to non-operating purposes of the RMLD. Mr. Cameron added the Department has gone by that rule for the last few years. Mr. Cameron pointed out the Department had its attorneys look into it to see what the state and the Department of Telecommunications (DTE) feel about making donations like that. Basically, what they have said is that you cannot include in your cost of service things that are not of a non-operating nature. A donation for a playground would not constitute something that would be an operational item. The Department has a policy, which pretty much outlines very strictly what the Department would donate money for. Advertising of educational or informational literature about the RMLD is fine. Whether it has to do with demand side management, hours of operation, energy conservation and safety tips is what the Department has looked at in terms of donations. To give a donation for a playground would not be something that the General Manager could justify to the state or Department of Telecommunications if he was questioned as far as the cost of service. Mr. Cameron added although the Town of Reading owns the RMLD, it services three other towns and the Department is beholden to all four of those town's ratepayers to spend monies on operational issues. Mr. Cameron noted there is no change to the response he gave Mr. Coumoundouros on March 17. Mr. Cameron commented if there are volunteers within the RMLD who would like to help you out is something you may want to explore.

Mr. Coumoundouros thanked the Department for their time.

Mr. Ensminger inquired if there were any in kind services that do not involve cash outlay such as providing construction related equipment or temporary service during the construction phase?

Mr. Cameron replied that would be addressed on a case-by-case basis. Mr. Cameron added this might not be particular to Mr. Coumoundouros' project, but when companies provide this type of equipment from a legal point of view they want to make sure it is installed correctly.

Mr. Herlihy wanted to say a couple of things. Mr. Herlihy thanked Mr. Coumoundouros for his kind words about Bill. Mr. Herlihy noted at the last Public Relations meeting Bill spoke about this for half the meeting, as he was very concerned about this issue. Mr. Herlihy pointed out what the General Manager said is not our opinion or policy, it is the law. Mr. Herlihy added the Department could do some in kind services. The Department is coming out with a policy on what the Department can do. Mr. Herlihy noted the Department could be creative if things come up perhaps that can help you such as in kind services. Let us know. Mr. Herlihy added for people watching to reach your group. Do you have a website.

Mr. Coumoundouros replied their website is [www.friendsofhuntpark.com](http://www.friendsofhuntpark.com). It has an overview of the schematics before and after as well as an address and phone number for a donation, which would be greatly appreciated.

**Donation Request Hunt Park, Peter Coumoundouros**

**Mr. Coumoundouros requested to be on the agenda.**

Mr. Pacino added the Department has a legal opinion out there and in the wake of the Inspector General's Office investigation things very much changed here. The Department cannot step over that legal opinion.

Mr. Coumoundouros thanked the Board for its time.

**Minutes**

**February 18, 2004**

**March 10, 2004**

Mr. Ensminger made a motion seconded by Mr. Herlihy to approve the Regular Session meeting minutes of February 18, 2004.

Mr. Pacino amplified that Mr. Soli is in Wisconsin on a personal matter and he knows he would have comments on the minutes.

Mr. Ensminger moved to table this motion until Mr. Soli returns and pass on the other set of minutes.

**Selectmen Liaison, Citizens' Advisory Board and Customer Comments**

Mr. Pacino polled those in attendance to see if there were any comments.

Mr. Norton had no comments.

Mr. Pacino pointed out the Board does have a new Selectmen liaison and his name is Joe Duffy.

**General Manager's Report**

**RMLD's Response to Management Letter**

Mr. Cameron added at the last Board meeting one of the Board members asked about the response to the Management Letter. Mr. Cameron noted these were put in the Board mail slots. Mr. Cameron offered to go through this report to the Board.

Mr. Pacino was concerned that the Town of Reading Audit Committee receives this report.

Mr. Cameron replied he believes they have been sent this report. Mr. Cameron added there were no reportable items and there were five items listed.

**Financial Report January and February 2004**

Mr. Cameron explained that Bob Fournier was on vacation otherwise he would be doing the presentation. Mr. Cameron explained that the Financials are being done in accordance with the way the Audit was performed. Mr. Cameron highlighted the first five or six pages will be in a different form on the Balance Sheet and Profit and Loss Statement. Basically, what has been done is Fuel has been added as an above the line item as well as the MMWEC Flush of Funds and the return to the Town of Reading.

The base revenue for January on page four versus the budget is up 15%, or \$435,000 because of the cold weather. The fuel revenue is up about the same amount. The Department's expenses are down approximately 13%. The net assets are about 2% higher than budgeted, which comes out to approximately \$1.5 million.

Mr. Cameron then turned to the February Financials. The current year to date revenue is 8% higher than budgeted, which comes out to \$488,000. This is the first year of levelized rates. Mr. Cameron added that expenses are 10% below budget. Mr. Cameron pointed out that depreciation is booked as one number on an actual basis. On the budget basis certain departments had certain depreciation expenses included in them. That is why in the depreciation number it is 50% higher than what the actual number is. Mr. Cameron noted he told Mr. Fournier that he did not want to change the budgeted number, however the depreciation can be pulled out of the different departments and put it in as one lump sum number and it will be close to what the actual number is.

Mr. Cameron then turned to the streetlight expense, which is down 27%. That has to do with what the Department had projected for activity in streetlighting and what the Department is looking at is lower.

**General Manager's Report**

**Financial Report January and February 2004**

Mr. Cameron went to page nine Operating Fund, which is \$8 million. Mr. Cameron noted the Rate Stabilization Fund between the investment and restricted cash is \$6.5 million.

**Manpower Actual vs. Budget through February, 2004**

Mr. Cameron highlighted this is not part of the report, but as part of the content of the Board meeting there is a Manpower report. Mr. Cameron pointed out this was requested by the Citizens' Advisory Board. The actual for January is 97 employees and 96 employees for February. Budgeted total for 2004 was 101 employees.

Mr. Pacino asked a question relative to non-RMLD streetlight. Does that mean they are dedicated to that particular area, E&O non-RMLD streetlights? Two people from Line Meter Station area do nothing but that?

Mr. Cameron replied for the most part they are doing non-RMLD streetlights. Mr. Cameron added they might be called on to do some work in our service territory if necessary.

Mr. Pacino polled the Board to see if there were any additional questions on this, there were none.

**GM Expenditures Outside Services through February, 2004**

Mr. Cameron noted this is found on page thirteen of the February report. There is \$21,621.45 for two months of activity for professional services. There is a small amount with Whitman & Bingham, which has to do with easements; also there is legal for our local attorney relative to easements. The bulk of the legal is attributable to Choate, Hall & Stewart and that is shown under labor negotiations. That needs to be reclassified, as it has to do with an MCAD case and arbitration. The \$17,908.95 is not all labor negotiations. The budget was \$91, 518.00. The budget figures are annualized. Mr. Cameron did point out that there would be some activity from the Department's Washington attorney, which will show up in March.

Mr. Pacino polled the Board to see if there were any additional questions on this, there were none.

**Budget Variance through February, 2004**

Mr. Cameron added that Mr. Fournier has put through the Budget Variance Report through February 2004. This was requested by the Citizens' Advisory Board and the Board to be examined on quarterly basis. A quarterly meeting is held with the Business Manager, an RMLD Board member and the Town of Reading Accountant to go over the budget on a quarterly basis and discuss any other issues.

Mr. Cameron noted you will see this for the first quarter.

Mr. Ensminger had a general question, how long does it take to close the books at the end of the month?

Mr. Cameron replied the reason why the Monthly Financials came out at the end of the month is because the Department has to wait for purchase power bills. Mr. Cameron further added the Department is endeavoring to get the books closed before the last week of the month. The power supply bills are always an issue. The problem is the Department gets the Power Supply bill on the twentieth of the month from New England Power Pool. The Power Pool bill is upward of \$800,000 to \$900,000. It is difficult to estimate that bill. Mr. Cameron added the labor and internal expenses close very quickly but everything else, vendor invoice and bills may come in toward the end of the month. Mr. Cameron pointed out one of the CAB members was very concerned that the Department should do a soft closing. Mr. Cameron said he had a good handle on expenses because he signs payroll each week and all requisitions go through him. Mr. Cameron has told employees that as soon as you get the Power Supply bills get them as quick as possible to Accounting.

Mr. Ensminger inquired if the Department has any control or influence when those bills come in?

Mr. Cameron replied no. Mr. Cameron added the Department has some bills, which have fixed contracts, can be figured out very quickly. The Department needs to wait for the NEPOOL bills and the power supply agreements with Seabrook, Millstone and Stony Brook.

**General Manager's Report**  
**Budget Variance through February, 2004**

Mr. Herlihy added an issue he had real concern about this year and last year is the significant cost over budget on transformer maintenance. Mr. Herlihy pointed out on one of the page two under transformer maintenance, transformer costs, maintenance of transformer expenses.

Mr. Cameron added of the things to be mindful of is the budgeted figures are annualized. Sometimes the Department may need more maintenance at certain times of the year. The flip side of this is the Department is doing less capital work. A lot of time the Department cannot get to capital work until the weather is better. Sometimes the Department is at the mercy of customer scheduling. Mr. Cameron pointed out the Department had some capital work for the Reading Business Park which we had to wait for. Mr. Cameron explained this particular item being over budget really means that there is capital work postponed and the Department is concentrating on maintenance. Another thing is the Department has some transformer work it has to do in North Reading. The Department has to concentrate on that now.

Mr. Herlihy replied he is all for that. Mr. Herlihy pointed out he is concerned because the Department was way off on that item last year as he recalls. The Department seems to be off it again. Mr. Herlihy is concerned about the expense of maintaining the transformers and also the cost of a spill are astronomical and will it bust the budget?

Mr. Pacino inquired on another matter about the transition of the fiscal year coming along, what is being done to get to the fiscal year?

Mr. Cameron replied he owes the Board a memo. Mr. Cameron has a draft, which he has gone over with Mr. Fournier. Mr. Cameron added the Department has set up a schedule where they will come to the Board with a twelve-month budget for the calendar year 2005. That will be brought to the Board in the late summer. The Board will be asked to put their blessing once the Citizens' Advisory Board (CAB) and the Board have done their review. After that is done the Department will do another six-month budget. This budget would be for the six months of 2006. What that would do in the spring of 2005 is give the Department a fiscal year budget starting July 1, 2005 to June 30, 2006. It is not a real aggressive schedule. Mr. Cameron pointed out that last year the budget was brought to the CAB in late August and received their concurrence by the end of September and came to Board before the end of September and received the Board's concurrence at the beginning of November. Mr. Cameron is putting a memo put together being mindful of reporting to the DTE and making sure they know the Department is going to have this change. Mr. Cameron does not know specifically how the DTE is going to react to this but regardless the Department can go to a fiscal year even if they have to report to the DTE on a calendar basis.

Mr. Cameron has had questions from other utilities that the RMLD is going to the fiscal year and how will it be accomplished?

**2003 Department of Telecommunications (DTE) Report**

Mr. Cameron pointed out that Mr. Fournier has completed the 2003 Annual Report to the DTE. Mr. Cameron added the Commissioners need to sign this and it needs to be notarized.

Mr. Pacino polled the Board to see if there were any additional questions on this, there were none.

**Thank you letter from Clock Tower Kids From Clock Tower School for the wonderful tour.**  
**This is thanking the Public/Community Relations Department for their tour.**

Mr. Cameron asked Ms. Gottwald to come up and say a few words relative to this.

Ms. Gottwald added the thank you letter that Mr. Cameron is referring to is from a group of kids that range from five to ten years old that came down during February vacation. They were thanking the Department for the tour.

On Senior Day, April 15 Ms. Gottwald pointed out there were seventy seniors from the four-town service territory. Ms. Gottwald noted five or six employees from various departments gave a presentation about what they do. The following employees spoke about what their respective Departments functions; Ms. Parenteau, Energy Services, Ms. Ahearn, Meter Department, Ms. Webb, Purchasing Department, Mr. Cameron, General Manager, Mr. Carson, Engineering and Ms. Ciarlone, Customer Service. They also saw the Hazard Hamlet demonstration, which is a safety and educational display.

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

**Thank you letter from Clock Tower Kids From Clock Tower School for the wonderful tour.**

**This is thanking the Public/Community Relations Department for their tour.**

Ms. Gottwald emphasized it is good for the public to see what the Department does, its employees and what is done behind the scenes. Ms. Gottwald added twenty attendees took a tour of the building. Also in attendance was former Commissioner Fran Doughty and current Selectmen liaison from Reading, Joe Duffy.

### **Friends and Family Day Reading, May 22**

Mr. Cameron noted Friends and Family Day coordinators in Reading contacted the RMLD. This will be taking place near the high school on May 22. The organizers have contacted the RMLD and they may need temporary power. Mr. Cameron has had discussions with them. The Hazard Hamlet will be there.

### **Update on Tour of the RMLD's Facilities**

Mr. Cameron noted himself, Messrs. Blomley and Carson met and discussed this issue and there is going to be worked done at the substations specifically in May at the GAW substation.

Mr. Ensminger inquired if this will be totally down?

Mr. Cameron replied no, just one side of it as there are two feeds coming in. They will alternate on a weekly for each side. Mr. Cameron pointed out they are going to send a letter to each of the Town Managers, Chairman of Selectmen and the CAB. This would happen for some Saturday in June. If the Commissioners have a preference, please let Mr. Cameron know. It will most likely happen the first or second week of June with a deadline date then the offer for transportation can be provided. Mr. Cameron noted Messrs. Blomley and Carson would be at the tour.

### **Board Discussion**

#### **Washington Trip**

Mr. Pacino asked Mr. Cameron for his meeting yesterday.

Mr. Cameron noted that he contacted Messrs. Pacino and Ensminger about the trip. He did not have Mr. Herlihy's phone number with him. On late Friday afternoon the Department's Washington attorney found (he represents the RMLD, Braintree, Taunton and Wellesley and share the cost out. The Taunton General Manager could not make the trip for Tuesday, April 20 to discuss the ISO RTO with the FERC. This filing that the ISO made was voted down twenty percent in favor, eighty percent against but the ISO felt compelled to make a filing because the FERC wanted one. The filing was not friendly to the RMLD and not very much different from the filing that was voted down. The long and short of it there has been an administrative law judge assigned to this case, Judge Brenner is the Administrative Law Judge who heard the Department's Pilgrim case which the RMLD fared favorably in a decision back in 1999. Yesterday was the meeting of the concerned parties had an hour to an hour and a half meeting with Judge Brenner hearing their concerns. Mr. Cameron called Messrs. Pacino and Ensminger informing them he had to go on Tuesday. Judge Brenner remembered Mr. Cameron and during those negotiations when the RMLD was the voice of reason. Mr. Cameron is unsure how this will turn out. However, with the ISO giving its blessing to the RTO it binds the Department's hands when it comes to a negotiated settlement. It may come to the fact if there is no mediated negotiation that is favorable to the Department or which the Department can accept. They may need to go to appeal on this. This process will cost the some money.

Mr. Pacino added he and Mr. Cameron discussed the potential cost.

Mr. Cameron replied part of the problem is that the Transmission Owner's (TO) want a return on equity that is substantially higher. To ask that and get that for doing your job does not make sense. The transmission owners are assessing risk with any new building in New England and what the ISO did with its filing is to say to the TO' you think there is risk we will give you reward. That is what the TO's are supposed to be doing anyway. Because FERC has accepted this filing and although Mr. Cameron is repeating himself it does bind the Department's hands in negotiations or mediation.

Mr. Cameron noted the Department has to look seriously at what the long-term cost of accepting this filing and just going away. What is the cost of putting up a reasonable fight in some type of appeal? Looking at those two costs will determine whether an appeal is the way to go?



**Board Discussion**  
**Washington Trip**

Mr. Ensminger asked to summarize this FERC filing disadvantageous to RMLD?

Mr. Cameron replied it is not advantageous. To quantify this is what the Department will have to do if it decides to go to appeal. In an appeal you lay out to the judge what you think is wrong.

Mr. Pacino inquired if he had a ballpark figure on what it would cost the additional cost to the ratepayers?

Mr. Cameron replied the cost \$500,000 to \$600,000 per year for twenty years in extra transmission cost.

Mr. Pacino reiterated the cost could be \$500,000 to \$600,000 for the next twenty years each year.

Mr. Herlihy inquired how many parties are involved in this?

Mr. Cameron replied what makes this mediation a little difficult is that you have five different parties involved. You have the transmission owners, the generators, the marketers, public power and the large end users. When you get into this type of mediation what you have to do is find people with common ground so you are not running around to five different entities trying to get some agreement. It is like herding cats, you can't do it. What you do is look at the issues and see if there any groups they can put together. There are sixty public power entities in New England, the generators have thirty or forty, the transmission owners are seven or eight and the end users are twenty or thirty. If you just looked at everybody individually there is a lot people in the room and on the phone. Because they are in different groups you try to mediate with the groups not the individuals. It is really advantageous for the transmission owners to have this go through. They are going to collect high rents as soon as this goes through.

Mr. Herlihy pointed out the cost of the appeal would be borne by all of these parties.

Mr. Cameron replied yes. Most of it is going to be borne by the load serving entities, which are public power. The transmission owners are NSTAR, National Grid and others. Mr. Cameron does not think that we got a real fair shake with the FERC accepting this filing. The FERC said to New England we want an RTO plan from you by May of this year. Mr. Cameron noted when ISO saw the participants could not come to an agreement the ISO said they would make the filings themselves. The FERC has a desire to make sure for this filing goes through.

**Rate Comparisons, April 2004**

Mr. Cameron noted the fuel charge is four cents a kilowatt-hour. It has been at this level for a couple of months. The RMLD is 13% above Peabody and about 11.8% above Middleton everybody else is above us on the residential side. On Residential Time of Use side the RMLD is closer. Peabody is 7% below the RMLD and Middleton is 6.9% below us. On the commercial side the only company lower than the RMLD is Middleton who is 2% lower than the RMLD. The same thing on the industrial time of use rates Middleton is 5% lower. Mr. Cameron does not see the fuel charge fluctuating that greatly in the next few months. Mr. Cameron does not see the gas prices coming down much. The gas prices have a lot to do with the NEPOOL prices are. The thing that has helped the RMLD stabilize its fuel rates is the fact we have solid fix price contracts, which keeps the fuel charge at four cents. The fact that the nuclear plants are running steady is also a plus.

Mr. Pacino added although it is not in the packet there is a joint meeting with the Selectmen on May 4. He signed a letter this evening to go to the Selectmen notifying them of the vacancy on the Reading Municipal Light Board due to the passing of Mr. Hughes.

Mr. Ensminger inquired if there was a cosigner?

**Board Discussion**

Mr. Pacino replied in the past there has only been one signer when a member has resigned and it has not been questioned. There will be a joint meeting between this Commission and the Reading Board of Selectmen. This vacancy will entail an appointment for one year until the next election. The person appointed will have to decide at the end of the appointment whether they will have to run. This is set tentatively for May 4. If anyone is interested they need to get in touch with the Town Clerk's office.

### **Board Discussion**

Mr. Ensminger commented he believes you have to file an official volunteer form.

Mr. Herlihy noted that all the Commissioners take pride in what they do. Mr. Herlihy added no Commissioner loved it more than Bill Hughes. Bill loved history and in keeping with that one of Bill's issues is that fact there had never been a woman on the Reading Municipal Light Board. Mr. Herlihy is going to encourage and support having a qualified woman on the Board, as it has been one hundred ten years without one. If you want to change the culture around here that is a good way of doing it. We made some strides but it is more than time to have a female member of the Light Board. Mr. Herlihy believes he might know someone who is coming forward.

### **Next Meeting Dates**

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

Mr. Cameron added the Department may have two more union contracts ready for execution within the next two weeks and the May 4 meeting happens with the Selectmen, the Board can convene at the RMLD before prior to going up there.

With respect to the Reading Town Meeting, Mr. Pacino pointed out that May 3 may not occur and it might be necessary go to May 6 instead for the Department to do its presentation.

Mr. Cameron replied he would speak to the Town Manager.

**Monday, May 3, 2004, Town Meeting (RMLD Report)**

**Tuesday, May 4, 2004, Joint Meeting with Selectmen**

**Wednesday, May 19, 2004, Regularly Scheduled Meeting**

#### **RMLD Board of Commissioners Subcommittee Meetings**

Mr. Ensminger noted there are some critical Subcommittee issues pending. Two of the Subcommittees being the Rate Setting Subcommittee and the General Manager Agreement Subcommittee as soon as the Board gets back to full compliment, meetings will be scheduled.

Mr. Herlihy pointed out the Policy Subcommittee needs to meet as well.

Mr. Pacino inquired who is the third signer of the bills?

Mr. Ensminger replied Mr. Herlihy by default.

Mr. Cameron noted the Department has not been this lean on the Board for as long as he can remember for this long of period, but we will get through this.

#### **RMLD Board Rotation at Citizens' Advisory Board (CAB) Meetings**

Mr. Herlihy pointed out he is next on the rotation.

Mr. Pacino asked Mr. Norton when the CAB is going to meet next?

Mr. Norton replied that Mr. Lessard is waiting for the RMLD Board of Commissioners to reschedule the Cost of Service. Other than that the CAB has nothing to meet for in the month of May.

Mr. Cameron needs an updated schedule for Mr. Soli. Once Mr. Cameron gets this he can schedule a meeting.

Mr. Norton did point out one thing. Mr. Lessard did mention was the meeting was scheduled in May he would appreciate notice as soon as possible due to vacation conflicts.

### **Executive Session**

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

At 8:55 p.m. Mr. Ensminger made a motion seconded by Mr. Herlihy that the Board go into Executive Session to discuss collective bargaining and to return to Regular Session for the sole purpose of adjournment.

**Motion carried by show of hands 3:0:0.**

**Executive Session**

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

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

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

**Motion to Adjourn**

At 9:30 p.m. Mr. Ensminger made a motion seconded by Mr. Herlihy to adjourn the Regular Session.

**Motion carried by show of hands 3:0:0.**

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