

Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
November 16, 2005

Start Time of Regular Session: 7:43 p.m.
End Time of Regular Session: 10:03 p.m.

Attendees:

Commissioners: Herlihy, Pacino*, Soli, Kearns and Hahn

RMLD Staff: Messrs. Cameron, Fournier and Seldon
Meses. Antonio, Benson, Cavagnaro, Gottwald, O'Leary and Parenteau

CAB: Ms. O'Neill

Liaisons: Mr. Duffy

Guest: Ms. Klepeis

***Mr. Pacino arrived at 8:00 p.m.**

Chairman Herlihy called the meeting to order at 7:43 p.m. He read the following statement into the record: "This meeting of the Reading Municipal Light Department (RMLD) Board of Commissioners November 16, 2005 is being broadcast at the RMLD's office at 230 Ash Street, Reading, MA. Live broadcasts are available only in Reading due to technology constraints. The meeting is being video taped for distribution to the community television stations in North Reading, Wilmington and Lynnfield."

Report of the Chairman of the Board

Retirement of Town Treasurer Beth Klepeis and Town Accountant Richard Foley

Chairman Herlihy introduced retired Town of Reading Town Treasurer, Beth Klepeis. Chairman Herlihy thanked Ms. Klepeis for her professionalism and assistance to the RMLD on such items as bill paying, bond issues and other sundry tasks.

Mr. Cameron said that he wanted to express his thanks to retired Town of Reading Town Accountant, Richard Foley because Mr. Foley was unable to attend this meeting. Mr. Cameron also thanked Beth Klepeis for her assistance to the RMLD.

Ms. Klepeis said that it was a pleasure working with everyone at the RMLD. Ms. Klepeis pointed out that the Retirement Trust was set up in the seventies by the RMLD Board, which is a positive benefit to the RMLD employees.

Mr. Fournier said that he has worked with Ms Klepeis and Mr. Foley for fifteen years in which they assisted him in getting financial issues resolved. He said they always rose to the top and he cannot thank them enough.

Mr. Herlihy said he also wanted to thank Town Accountant, Richard Foley.

RMLD Customer Survey

Customer calls will be made starting the week of December 5, 2005.

Chairman Herlihy said that this is the first time in four and a half years that the RMLD will perform a residential customer survey. He said that customer calls will start on December 5.

Mr. Cameron said that he is looking forward to the results of the customer survey because the RMLD will be benchmarked with other utilities. Mr. Cameron said he is also interested in the feedback on green power.

Ms. Kearns said that an outside vendor, not RMLD employees, would be conducting the customer survey. Ms. Kearns encouraged residential customers who receive such calls to be frank and honest with respect to RMLD's performance.

Report of the Chairman of the Board

RMLD Customer Survey

Customer calls will be made starting the week of December 5, 2005.

Ms. Gottwald, Community Relations Manager, explained that there will be random calls to 3,200 residential customers with the expectation of 400 completed surveys. Ms. Gottwald said that the Center for Research & Public Policy (CRPP) from Trumbull, Connecticut would be making the calls with the results available by the end of December. She said there would be no names asked, however, demographic information will be requested. Ms. Gottwald added that the customer survey would allow the RMLD to address any of its problems or see its positive points.

Residential Energy Assistance Programs

Mr. Cameron said that the RMLD is involved with conservation efforts that include (1) rebate programs for Energy Star efficient appliances, (2) residential energy audits, (3) energy savings material to customers. Mr. Cameron pointed out the RMLD is also involved with the Good Neighbor Energy Fund. The RMLD distributes to residential customers the Good Neighbor Energy Fund envelopes in its January mailing. Mr. Cameron added that the Customer Specialists aid the RMLD residential customers by channeling them to various agencies for financial support for energy related issues. The RMLD as part of its residential bills have a monthly charge of twenty-five cents for its energy conservation measures.

Mr. Cameron said that the RMLD would be participating in a new program, the Cold Relief Energy Assistance Program. He explained this program assists residential customers in three areas, two of them are energy conservation related and one is for assistance in paying bills. The cost to the RMLD for this program is \$25,000 annually, that would assist residential customers in the service territory to weatherize their homes or upgrade heating systems. Because these programs are energy conservation related measures these are being brought to the Board. Mr. Cameron stated that there is no Board vote required, but the RMLD has the funds for energy conservation measures. Mr. Cameron explained that the RMLD does not have the in house expertise to select customers who need this type of assistance this is the reason the RMLD will engage the services of the Cold Relief Energy Assistance Programs. The qualifications for the residential customers are based on income.

Ms. Gottwald explained that the Cold Relief Energy Assistance Program is a federal government program, which gives grants to states and counties in the country who are eligible for this program. Ms. Gottwald said that three Energy Assistance regional offices represent the four towns the RMLD services because they are in different counties. Ms. Gottwald pointed out that once the \$25,000 is donated by the RMLD to the Energy Assistance regional offices those offices will in turn without charge find vendors who will handle the qualified applicants.

Ms. Kearns said that the Community/Public Relations Subcommittee consisting of Chairman Herlihy and herself met with RMLD staff on November 8. Given what they were told by Ms. Parenteau at the last RMLD Board of Commissioners meeting relative to the high fuel costs they were very concerned about the effects on the customers of the four towns, and what could the RMLD do to address this. Ms. Kearns said that at this meeting various ideas were discussed some of which Mr. Cameron mentioned this evening. Ms. Kearns said first and foremost, if any customer thinks they are going to have a problem addressing their bills this winter they should contact the Customer Service Representatives at the RMLD, who will work with them because of the significant projected increases in costs. Ms. Kearns said that they directed Ms. Gottwald to check into weatherization programs that could help abate the increases. Ms. Kearns thanked Ms. Gottwald for all her efforts to find the Cold Relief Energy Assistance Program. Ms. Kearns mentioned that RMLD's residential customers get Salvation Army Good Neighbor Energy Food envelopes in their bills and last year \$6,500 was collected. These monies assist the working poor pay energy bills in the four towns the RMLD services as well as throughout Massachusetts.

Ms. Gottwald said that the Cold Relief Energy Assistance Program is a year round program for low-income assistance whose income level is two hundred percent of the federal poverty level. She pointed out that recipients in the Good Neighbor Energy Fund are residential customers who do not qualify for low-income assistance, consisting of a one-time payment of \$275, which begins in January and ends in April.

Ms. Kearns said that information on helpful hints that provide energy savings related tips will appear in RMLD's *In Brief* and the local newspapers in RMLD's service territory.

**Report of the Chairman of the Board
Residential Energy Assistance Programs**

Ms. Gottwald pointed out that the RMLD's Energy Services Division has prepared energy savings tips for the commercial sector.

Ms. Cavagnaro said that as the Customer Service Manager, her Customer Specialists have seen an increase in requests for residential energy audits.

Ms. O'Neill pointed out that the federal guideline relative to the poverty level for a family of four; is \$38,700.

Chairman Herlihy said that these are historic times for energy. Chairman Herlihy commented that for some residential customers it will be a choice of food or fuel. Chairman Herlihy pointed out this is a Board issue by promoting the Good Neighbor Energy Fund.

Ms. Kearns said with respect to the Good Neighbor Energy Fund, the advantage to the RMLD having this fund in existence is there are no administrative costs on the RMLD's part. She pointed out that the RMLD is involved to the extent that it puts the Salvation Army envelope with its residential bills.

Ms. Gottwald stated that there is no cost with the low-income programs to the RMLD as well.

Minutes

September 21, 2005

Mr. Soli made a motion seconded by Ms. Kearns to approve the Regular Session meeting minutes of September 21, 2005 with the changes presented by Mr. Soli.

Motion carried 5:0:0.

Mr. Pacino said that the Chairman is traditionally listed first in the minutes and would like this change reflected in the minutes.

Ms. Kearns said that she has been the Secretary of the Board since May that she was appointed at a meeting at which she was not present. Ms. Kearns said that between now and May she has the opportunity to review the meeting minutes which took her hours review. She said other municipalities; Hingham Municipal Light Board minutes consist of four pages and Concord Municipal Light Board two pages. Ms. Kearns then researched the Open Meeting Law to determine the legal requirements with respect to minutes. She said that a verbatim record of discussion is not required. Ms. Kearns then looked at the RMLD Board minutes to see if they had made any statements about minutes. She said on May 26, 2004, that Mr. Soli made the following comment, "That the Open Meeting Law does not require verbatim minutes perhaps they could be pared back as they are almost verbatim." Also said at this meeting, Mr. Pacino said, "It has been both done in short and longer versions however it is up to the Secretary." Ms. Kearns has made the decision that the future minutes will be much shorter. Any CAB member that has changes or corrections to the minutes, then they need to be prepared before the next Board meeting.

Ms. Gottwald said that there are copies of the RMLD Board of Commissioners meeting tapes available if the public wants access to them.

Ms. Foti reminded the Board that the minutes are the record of the meeting, not the tapes for the purposes of the Open Meeting Laws.

Selectmen Liaison, Citizens' Advisory Board (CAB) and Customer Comments

Mr. Duffy said that the RMLD is doing a fine job and that it has been right along.

Selectmen Liaison, Citizens' Advisory Board (CAB) and Customer Comments

Ms. O'Neill reported that the CAB met on Tuesday, November 8. She said there were three main issues discussed. The first was to review a proposed change in the timeline on power contracts, which come to the CAB due to the current mandate in the Twenty Year Agreement.

Selectmen Liaison, Citizens' Advisory Board (CAB) and Customer Comments

Ms. O'Neill said that CAB Secretary Carakatsane will draft language regarding a proposed change. The motion, which will contain language changes to the Twenty Year Agreement, will be reviewed at the next CAB meeting, November 29. The second issue discussed at the CAB meeting, is a program entitled Cities for Climate Protection. This program is going to the Reading Selectmen, then there will be a public meeting on the establishment of an Ad Hoc Committee on Energy and Environment. Ms. O'Neill said that Town Meeting did vote to approve \$600 for annual dues for this endeavor. The third issue discussed all the CAB meeting concerns a request that the RMLD staff make a presentation in December, on the mandated amount of money RMLD is to devote to conservation, what the RMLD is currently doing, may do in the future and what other municipal utilities do for conservation.

Chairman Herlihy said that a very brilliant individual Quincy Vale of Wilmington will be the new Wilmington representative for the business community on the CAB because the Town of Wilmington Board of Selectmen approved this. He said he is one of the foremost experts in renewable energy and green building technology.

Report of RMLD Board Subcommittees

Community Relations Subcommittee (Secretary Kearns)

Ms. Kearns wanted to thank the wonderful employees at the RMLD. For the 2005-2006 Good Neighbor Energy Fund kick off, the RMLD employees donated fifteen new blankets to keep people warm.

Ms. Cavagnaro said that residential customers have been calling to inquire if they will be receiving a refund. Ms. Cavagnaro has told such customers the RMLD has changed its fiscal year and will not be receiving a refund this year. She said the possibility of a refund being issued would be explored in the spring.

General Manager's Report

Potential Natural Gas Shortage

Mr. Cameron said that the Energy Services staff consisting of Michele Benson, Joe Bilicki, Jane Parenteau and Bill Seldon has put an alert together for RMLD's commercial customers relative to the potential natural gas shortage.

Ms. Parenteau explained that as a result of Hurricanes Katrina and Rita the Independent System Operator (ISO New England) is anticipating a natural gas shortage this winter. She said as a proactive measure the RMLD Energy Services has met with the RMLD's Engineering group in the event of a natural gas shortage what measure the RMLD may need to take. Ms. Parenteau pointed out her staff has met with Customer Service to encourage energy conservation. Ms. Parenteau will meet with Community Relations to use all mediums available such as press releases to encourage conservation and provide energy saving tips. Ms. Parenteau explained that the large commercial customers and 500 club customers have been notified so they can explore conservation measures. She said Ms. Benson has prepared and sent them an alert on this issue as well. The ISO is holding a workshop on November 29, which includes state and federal emergency action agencies to determine what would happen in the event of a natural gas shortage. She said they are hoping for the best but are preparing for the worst. Ms. Parenteau said that there was an article in the *Boston Globe* today about possible shortages and Channel 7 had a representative from ISO on this evening.

Ms. Parenteau called the Massachusetts Department of Telecommunications (DTE) to determine if there were any exemptions if there were brown outs or blackouts. The answer from the DTE was there are no exemptions. Ms. Parenteau explained that the ISO has a four-step process.

Ms. Parenteau stressed rolling black outs are the last step if needed and hopefully it will not come to this.

Mr. Pacino commented that he was in attendance at the CAB meeting when Ms. Parenteau and Benson brought up this issue. Mr. Pacino said that this information is not being brought forward to alarm anyone, but it is a real possibility that there may be a shortage of electricity this year. Mr. Pacino's concern is that gas suppliers will use their supplies for heating homes based on the economics instead of electricity purposes. He has never heard the ISO talk in such terms in all his years on the Board.

Mr. Cameron added that hopefully it will be a mild winter, which would help abate the affects of the hurricanes, and the natural gas shortages they created.

General Manager's Report

Potential Natural Gas Shortage

Mr. Pacino asked Mr. Duffy, Town of Reading Selectmen liaison to take this message back to the Board of Selectmen. Mr. Pacino suggested that Mr. Duffy get the word out because of the potential seriousness of this situation.

Discussion ensued on the ISO lead-time and operating steps prior to have rolling brown outs or black outs.

Ms. Benson said that the ISO is serious about load reduction because they called system wide to do a voltage reduction test.

Ms. Parenteau added this kind of test has been historically performed in the spring for the summer period load reduction, never in the fall.

Cities for Climate Protection

Mr. Pacino inquired if the software that is purchased at a cost of \$600 can be shared with all the four towns?

Mr. Cameron replied that he will discuss this with the CAB and report on this.

**American Public Power Association (APPA) Legislative Rally February 28 to March 3, 2006
Washington, DC**

Mr. Cameron commented that he goes to this annually and had gone with the late Commissioner Hughes in the past. The RMLD Board can also attend if there is any interest.

Northeast Public Power Association Annual Membership Meeting, December 9, 2005

Mr. Cameron will be attending the Northeast Public Power Association Annual Membership Meeting, December 9, 2005. Mr. Cameron invited the RMLD Board members to come if they desired.

Presentation to Town of Reading Town Meeting

Mr. Cameron said that he thought he was giving this presentation on Monday, but it is tomorrow evening. Mr. Cameron is unable to attend due to a previous engagement; therefore Chairman Herlihy will be making the presentation to Town Meeting.

Update Breaker Replacement Project at Gaw

Mr. Cameron said that the seven, 115 KV breaker replacement project is completed.

Mr. Cameron commented that this work has to be performed on Saturdays because the load is down and because it requires switching out one of the transmission lines from NSTAR. He said the work is starting on the five circuit breakers on the 35 KV side and it should be completed before March.

Chairman Herlihy inquired if the RMLD is on time and budget with this project?

Mr. Cameron replied yes.

Mr. Soli inquired if the RMLD has completed the oil disposal?

Mr. Cameron replied no. He said that the RMLD has to empty out five of the 35 kV circuit breakers. Mr. Cameron pointed out in the Account Payables the Commissioners will see bills from TCI and Baldwin Crane for the oil removal.

Mr. Soli asked if the breakers have been pulled?

Mr. Cameron replied that when the work is being done the circuit breaker is taken out of service and the new one is put in.

General Manager's Report

RMLD Financial Report September 2005

Mr. Fournier highlighted the Financial Report for September.

Discussion ensued around the Fuel Fund and target budget projections.

Discussion then turned to Revenues because there had been previous discussions of a decline due to losing two larger commercial customers.

Mr. Fournier reported on Base Power Costs, Health/Life Insurance, Pension Trust, Outside Services. Mr. Fournier also addressed Station Tech work that is capitalized, Hazardous Waste Expense, Building Maintenance and Contribution in Aid of Construction.

Variance Report

Mr. Fournier reported all five divisions collectively are under budget for the first three months. Mr. Fournier explained some of the factors attributing to this.

Six Year Plan

Mr. Fournier gave an updated report on the Six Year Plan.

Mr. Soli had a question on Purchase Power Fuel prices in 2006 and 2007 showing the four percent cut. He asked is that realistic?

Mr. Hahn replied that in the market that is where the pricing is anticipated to head downward in 2006 and 2007. He thinks the forecast is realistic.

Mr. Cameron explained he is not going into detail on RMLD's energy strategy. He said he wanted to echo Mr. Hahn's comment in that he believes the prices are headed downward.

Mr. Soli said he hopes he is correct.

Retirement Trust

Mr. Fournier reported on the Retirement Trust. Mr. Fournier will have an Actuarial Study performed very shortly and will solicit three or four proposals because it is good business practice.

RMLD Gift Certificate Program

Ms. Cavagnaro said that the RMLD has Gift Certificates for the holidays that can be purchased in any denomination.

RMLD Blood Drive Wednesday, December 28, 2005, Sponsored by Reading Rotary

Mr. Cameron said that this will take place at the RMLD Cafeteria from 1:00 p.m. to 6:00 p.m.

RMLD Calendars

Mr. Cameron said that these calendars will be available on Thursday, December 1, 2005.

General Manager's Report

Annual Tree Lighting Reading Common

Mr. Cameron said that this would take place on Sunday, November 27, 2005 from 1:00 p.m. to 4:30 p.m.

The Outstanding Citizen Award Dinner

Mr. Cameron commented that Reading-North Reading Chamber of Commerce will host a dinner honoring John Norton and Arthur Trigliano of the Mission of Deeds in Reading. He said that this will take place on Saturday, November 19, 2005 at the Thompson Country Club. Mr. Cameron said he, Ms. Gottwald and Ms. O'Leary will be in attendance.

General Manager's Report

APPA Customer Service Connections Conference Kansas, MO October 22-26, 2005

Mr. Cameron updated that Ms. Cavagnaro attended the APPA Customer Service Connections Conference and accepted an award for RMLD as the winner of the Best Annual Report for 2004.

Ms. Cavagnaro reported that at the conference in all the workshops conservation was discussed. Ms. Cavagnaro pointed out it was suggested to start the conservation process within schools because children in turn could retrain their parents to shut off lights. Ms. Cavagnaro said another topic also mentioned at the workshop is valuing employees and retention because it will be difficult to attract and retain employees. A real area of concern is the line crew area for attracting employees. Ms. Cavagnaro said they suggested energy conservation programs being run on local cable television.

Chairman Herlihy stated that the RMLD programs mentioned this evening should show up as pop ups on the RMLD's website as one means of advertising them.

Board Discussion

Next Meeting Dates

Wednesday, December 14, 2005

Thursday, January 5, 2006, T-Shirt Contest

Wednesday, January 18, 2006

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

Mr. Cameron suggested that the RMLD's Commissioner who had a legal background should attend the meeting on Tuesday, November 29, at 6:30 p.m. because the crux of this meeting will be the change to the language to the Twenty Year Agreement.

Secretary Kearns said that she would be in attendance at this meeting.

Mr. Fournier said that the RMLD's business office would be closed on Friday, November 25.

Chairman Herlihy thanked the RMLD staff for their input this evening.

Executive Session (General Manager's Conference Room)

At 9:08 p.m. Ms. Kearns made a motion seconded by Mr. Soli that the Board go into Executive Session, to discuss strategy with respect to litigation, and to return to Regular Session for the sole purpose of adjournment.

Motion to Adjourn

Mr. Herlihy called for a poll of the vote:

Mr. Hahn, Aye; Mr. Soli, Aye; Mr. Herlihy, Aye; Mr. Pacino, Aye, and Ms. Kearns, Aye.

At 10:03 p.m. Mr. Soli made a motion seconded by Mr. Hahn to adjourn the Regular Session.

Motion carried 5:0:0.

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

Ellen C. Kearns, Secretary
RMLD Board of Commissioners

