

Reading Municipal Light Department

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Minutes 03/25/2009

Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
March 25, 2009

Start Time of Regular Session: 7:32 p.m.
End Time of Regular Session: 10:15 p.m.

Attendees:
Commissioners:

Richard Hahn, Chair	Mary Ellen O'Neill, Vice Chair
Robert Soli, Secretary	Ellen Kearns, Commissioner
Philip B. Pacino, Commissioner	

Staff:

Vinnie Cameron, General Manager	Beth Ellen Antonio, Human Resources Manager
Michele Benson, Key Accounts Industry	Jeanne Foti, Executive Assistant
Robert Fournier, Accounting/Business Manager	Paula O'Leary, Operational Assistant
Jane Parenteau, Energy Services Manager	William Seldon, Senior Energy Analyst
Kevin Sullivan, Engineering and Operations Manager	

Citizens' Advisory Board:
Tracy Sopchak, Member

Reading Advisory Committee on Cities for Climate Protection (ACCCP):

Michele Benson, Chair	Ray Porter, Associate
Gina Snyder, Member	Tracy Sopchak, Member

Presentation

Reading Advisory Committee on Cities for Climate Protection - Climate Plan Update

Ms. Benson reported that last year the Reading Advisory Committee on Cities for Climate Protection made a presentation to the Town of Reading Board of Selectmen as well as the RMLD Board on its Climate Action Plan. Ms. Benson said that this evening's presentation will cover the ACCCP's accomplishments over the past year on its Action

Plan. Ms. Benson stated that the third Annual Earth Day Fair will be hosted at the Reading Municipal Light Department (RMLD) on Saturday, April 4.

Ms. Benson stated that Earth Hour will take place on Saturday, March 28; between the hours of 8:30 p.m. to 9:30 p.m. everyone is encouraged to shut off his or her lights.

Ms. Sopchak pointed out that sometimes one is not aware daily about how their actions impacts the planet, since 1979 more than 20% of the Polar Ice Cap has melted away this is due to climate change.

Ms. Sopchak said that the mission statement for the ACCCP is "Seeks to achieve environmental, economic and societal sustainability by raising public awareness and influencing the community, including its government, to reduce detrimental environmental impacts and energy expenditures."

ACCCP Program Milestones

Milestone 1 – Conduct a Green House Gas Emissions Inventory

In 2006 this milestone was completed using a baseline of 2000 for Reading. Total Reading emissions are 292,000 tons which transportation is the biggest contributor to greenhouse followed by the residential sector.

Milestone 2 - Set an Emission Reduction Target

The target is for Reading to reduce its greenhouse gas emissions by 10% by 2012.

Milestone 3 - Develop a Local Action Plan

Completed in February 2008.

Milestone 4 - Implement the Local Action Plan

This is the focus of the presentation this evening.

Milestone 5 - Monitor Progress and Report

Baseline year: 2000 with data from 2000-2003. Benchmark against its baseline this year using 2008 data. This will be performed every two years.

Six Action Groups

1. Modes of Transportation

Non-Motorized Transport to School Program

Ms. Sopchak explained that Walkable Reading has made walking for pedestrians in Reading easier. The non-motorized transport to school program that involved the Reading Public Schools, and Reading Police Department who teamed up for the Safe to School Walking to have designated walking routes and sidewalks. In 2007, two schools were piloted and there will be three additional schools in 2008.

Looped Bus Service

The ACCCP and Town applied for and were awarded a grant for an around town shuttle bus, the Boston MPO 3-year, \$365,000 grant that requires town matching, however the Town asked the Boston MPO to postpone the grant due to the economic times. The grant was subsequently lost but it is hoped that there may be alternative ways to fund this.

Municipal Employee Commute Program

The ACCCP facilitated Mass Rides Rideshare Program and arranged for a Mass Rides representative to act as the Mass Rides coordinator for the town. Participation has been low. Ms. Benson is the Reading coordinator.

2. Vehicle Fuel Efficiency

Municipal Purchasing Policy

The ACCCP drafted language for the town's purchasing policy. The town purchases fuel-efficient vehicles and environmental product per policy. The town is going to list the ways it has made energy efficient purchases available on its website.

Municipal No Idling Policy

The town adopted and implemented a No-Idling policy for town employees, consistent with Massachusetts No Idling law and the DPW installed 'No Idling' curbside signs at Town Hall.

School Wide No Idling Policy

ACCCP designed 'No Idling' curbside signs and distributed 'No Idling' car window decals to schools. The ACCCP and the Superintendent of Schools developed and implemented a No Idling parent pledge in all elementary and middle schools in October 2008.

3. Energy & Buildings

LED Light Replacement Program

Ms. Sopchak pointed out that Mary DeLai has been instrumental in benchmarking all the town buildings to garner energy savings and has hired an Energy Services Company ("ESCO") to work on further reducing energy costs based on their recommendations.

The town upgraded Reading's Route 28 traffic lights to LED as part of the redevelopment of the Downtown area.

The Town of Reading and the Chamber of Commerce will be adding more LED lights this year on the common for holiday lighting.

The RMLD is in the process of updating the Commercial Lighting Rebate Program to incorporate upgrade to LED Exit signs.

The RMLD created an Energy Efficiency Engineer job position, expanded its conservation and efficiency rebate programs and is incorporating new renewable energy incentives. The ACCCP called for residents to reduce their home electricity use by 10% in the 2008 1-2-3 pledge, 183 took this pledge. Eighty-eight tons of carbon dioxide have been avoided.

Municipal Renewable Energy Program

The recommendation of the ACCCP is to form a team to investigate the feasibility and advantage of Reading as a Massachusetts EOE: Green Community Candidate. Members should include but not be limited to: Reading Energy Committee, ACCCP and RMLD.

4. Lawns, Trees & Water Conservation

Ms. Sopchak briefly touched upon the residential water conservation program, municipal shade tree program, community shade tree program, low impact development program and green yard campaign.

The town provides information on water savings. Also, the ACCCP and Walkable Reading have been working on the shade tree program.

The Town of Reading Recycles sponsored an electronic recycling event at last year's Earth Day.

5. Education & Outreach School Climate Change Educational Program

Reading Public Schools Conserve is a newly formed action committee, whose members represent each school, RMLD and ACCCP. They initiated to bring across-the-board conservation measures into schools. The goal is to educate and engage students in conservation activities that will be incorporated into the schools.

6. Awards & Recognition

Ms. Sopchak explained the ACCCP is hoping to get the businesses for a Business 1-2-3 Annual Pledge and a have Green Professionals Recognition Program in the coming year. The ACCCP would like to educate businesses in how to be more energy efficient in their operations.

Ms. Benson said that the town of Reading is looking into becoming a Green Community. Since the ACCCP has met some of its milestones, they will assist the town in meeting criteria needed to become a Green Community.

Reports from RMLD Board Committees General Manager Committee

Ms. Kearns stated that the committee met prior to this Board meeting in which the vote that was taken: Mr. Soli made a motion seconded by Ms. Kearns that a score of 142.38 out of 151 or 94.3% would yield a pay raise of 4% for the General Manager, however, considering the financial times the General Manager Committee recommends that the General Manager receive a raise of 2%.

Ms. Kearns is presenting this motion to the full Board:

Ms. Kearns made a motion seconded by Mr. Soli that the General Manager receives a pay raise of 2% for the period February 7, 2009 through February 6, 2010.

Chair Hahn explained that the General Manager has a performance plan that is set in advance in order to measure his performance. Chair Hahn said that it is not unusual for a high level manager in an organization to have such a plan.

Chair Hahn reported that at the end of the year, the committee reviews progress that has been made then make a decision. Chair Hahn said that based on the score Mr. Cameron has accomplished virtually all the goals set and done very well which is reflective in the score he has received. In recognition of the financial times, the Committee and Mr.

Cameron agreed to go with a lower pay raise.

Motion carried 5:0:0.

Ms. Kearns pointed out that at the General Manager's Committee meeting they have been reviewing a different evaluative instrument that will be finalized by next month. Ms. Kearns said that the committee can vote on this next month.

Chair Hahn said that the General Manager Committee does vote on this instrument. Chair Hahn said that Mr. Cameron is going to take the latest version and produce a red line version that reflects the comments that were made and suggested changes at this evening's meeting. Chair Hahn would like Mr. Cameron's changes sent to all the Board members. Chair Hahn stated that all feedback should be given to Ms. Kearns who put a lot of time and effort into this evaluative instrument.

Policy Committee

Ms. O'Neill stated that the Policy Committee met to discuss Policy 13, which governs the use of RMLD conference rooms, most specifically the Cafeteria. Ms. O'Neill pointed out that Mr. Cameron notified the outside groups that starting in December 2009 they could no longer use the Cafeteria.

Ms. O'Neill explained that a group did contact us and they were invited to the meeting as well as all other outside groups that use the RMLD facility to air their concerns. There were two committee members present as well as Mr. Pacino. There were fifteen to twenty guests present at the meeting representing four groups who use the RMLD facility.

Ms. O'Neill said that Mr. Soli recused himself. She said that she believes the sense of all the commission is that the Cafeteria is used for outside groups and remains a community resource. Ms. O'Neill commented that they are working for a compromise and hopes the committee meets soon.

Minutes for Board Meeting February 25, 2009

Mr. Soli made a motion seconded by Ms. O'Neill that the minutes of February 25, 2009 with the suggested changes by Ms. Kearns, page three, third paragraph, "wanted" be replaced with "asked the Board" be approved.

Motion carried 4:0:1. Mr. Pacino abstained.

Ms. O'Neill stated that she wanted to be on the record that at the last Board meeting she brought up the issue of RCTV and the rent they were paying. Ms. O'Neill said that staff told her that she was misinformed. Staff believed that her information on the rent paid by RCTV was incorrect, whereas she provided correct information. RCTV currently pays \$1,600 monthly. Ms. O'Neill's information provided is correct.

General Manager's Report Green Communities Act Update

Mr. Cameron reported that he along with Mses. Benson and Foti attended a meeting with the Division Director, Green Communities, Mark Sylvia on March 11 who gave a presentation on the Green Communities Act. Mr. Cameron said that there are a number of questions that need to be answered by Mr. Sylvia prior to the RMLD joining the town to be a Green Community. Questions that need to be addressed by Mr. Sylvia, what the costs are for the RMLD, what the RMLD could opt into and what would be the cost charged to customers for energy conservation charges.

Ms. Kearns said that it concerns her that the Green Communities Act does not allow leaving the program once you have enrolled.

Chair Hahn emphasized that it is irrevocable. Chair Hahn explained that once you opt in, the monies you provide is used to fund their programs. Chair Hahn echoes Ms. Kearns' concerns. Chair Hahn is in favor of the objectives. However, by joining a bigger group you lose control of where the monies go. Chair Hahn wanted Mr. Cameron to e-mail the questions he sent to Mr. Sylvia to the Board.

Ms. Snyder said that she was in attendance at that meeting as well and she would encourage the Board to have some in depth discussion with the town side of government. Also present at the meeting on March 11 were the Town Planner and her assistant because the zoning by right changes and it would take the town side to do that. Also in terms of equity with the legislatures in terms of asking, is it fair that all municipal light departments have to buy into the Massachusetts Technology Fund? Is it at the same rate as other towns? Is the \$10 million for greenhouse initiative eligible if they join or pay other fees on electric bill, these questions need to be explored?

Mr. Cameron replied that he and Mr. Hechenbleikner will be sharing their questions sent to the state on this issue.

Chair Hahn directed Mr. Cameron that the questions raised by Ms. Snyder be asked.

Attendance at MEAM General Managers Business Meeting April 16 and April 17, Sea Crest, North Falmouth, MA

Mr. Cameron stated that he attends the MEAM General Managers Business annually, however, offered to pay for the hotel room.

The sense of the Board was that Mr. Cameron should not personally pay for either his hotel room or the conference. These expenses should be paid by RMLD

Chair Hahn made a motion seconded by Ms. Kearns that the Board approve the General Manager's attendance at MEAM General Managers Business Meeting April 16 and April 17, Sea Crest, North Falmouth, MA.

Motion carried 5:0:0.

Mr. Cameron reported that RMLD's Customer Service Manager, Laurie Cavagnaro will be the recipient of the Reading-North Reading Chamber of Commerce Outstanding Citizen of the Year Award and that a dinner will be held at the Hillview Country Club on Wednesday, April 29, 2009 at 7:00 p.m. to present this award.

Mr. Cameron stated that the ACCCP's Third Annual Earth Day Fair will be held at RMLD Saturday, April 4, 11:00 am. to 3:00 p.m.

Financial Report February 2009

Mr. Fournier apologized to the Board on the tardiness of the Financial Report. Mr. Fournier reported for the first eight months ending - February 28, 2009, the results were positive. Mr. Fournier reported that the Purchase Power costs are estimated which will true up with the March numbers. Mr. Fournier said that there were no major incidents or out of the ordinary expenditures.

Chair Hahn had a clarifying question; was some of the information in the Financials as well as in the Power Supply report estimated?

Mr. Fournier replied that this is correct.

Mr. Fournier stated that the Department was profitable by \$721,000, which resulted in a year to date Net Income of \$4.1 million. The reforecasted Net Income for this period \$3.7 million resulting in Net Income being over budget by \$330,000. The fuel Revenue exceeded expenses by \$2.1 million.

Mr. Fournier replied that looking at the reforecasted revenue fuel number at \$41.9 million it is a \$1.4 million swing on that versus the \$40.5 million expense making the change in Net Assets excluding fuel \$2 million and revenues \$2.4 million on the reforecast figures. It is a pass through when all is said and done. Mr. Fournier reported that Base Revenues were over budget by \$600,000 or 2.2%. Actual Base Revenues were at \$26.9 million versus \$26.3 million.

Purchase Power Base Expense was \$676,000 or 4.2% over budget due to increases in transmission and capacity costs. Actual Purchased Power Base Costs were at \$16.8 million compared to the budgeted amount of \$16.1 million.

The Operating and Maintenance Expense \$6.1 million, Capital Fund \$4.9 million, Rate Stabilization Fund \$6.2 million and the Deferred Fuel Cash Reserve balance is \$3 million.

Mr. Fournier reported that the Capital and Operating budgets are due to the Citizens' Advisory Board by the end of the month.

Mr. Fournier said that Chair Hahn had e-mailed him questions earlier in the day that he will be forwarding to all the Commissioners.

Mr. Fournier commented that the Account Receivables are \$500,000 over sixty days, which is 8.5%. The credit and collection letters should be going out this week and it is hoped that the receivables will be down in the future, but it has been a tough year.

Mr. Fournier said that compared to last year, which was in double digits, this year the Credit and Collections Department has kept the receivables down.

Mr. Fournier commented that all five divisions were under budget cumulatively by \$50,000 or less than one half of one percent.

Mr. Fournier mentioned that the Fuel Charge continues to trend downward.

Ms. O'Neill asked about the variances and what caused them to smooth out, there was no movement of funds. Was it simply the reforecasting of the budget for six months with the actuals put together?

Mr. Fournier replied that there was six months actual, which helps smooth out the variances such as was found in the December Financials.

Ms. O'Neill asked is the Deferred Fuel Cash Reserve at the level of funding that the Department deemed necessary?

Mr. Fournier replied that the Department is over the \$1.75 million target.

Mr. Fournier stated that there is \$12 million in the Operating Fund, of which \$1 million was Deferred Fuel. This year's numbers shows \$6 million in Operating Fund and \$3 million in the Deferred Fuel with \$4 million being spent on the Gaw Project. The Department is self-funding the Gaw project. Mr. Fournier pointed out the Gaw project is a good use of Operating Fund money.

Chair Hahn asked if the Deferred Fuel Reserve level should be re-examined to see what an adequate level is given the volatility of the fuel prices over the last year?

Mr. Cameron commented that a few years ago when the power supply strategy was at a low rate due to the Calpine settlement, Energy Services came up a good plan that the Department has followed. Mr. Cameron said that the RMLD was at 9.4 ¢ kilowatt in September, which is the highest it has ever been and it is now 6.4 ¢ kilowatt hour. Mr. Cameron said that \$1.75 million is probably too low given the volatility of the market. It should probably be increased. The Department's procedure has been to not move the Fuel Charge more than half a cent per kilowatt hour from one month to the next.

Ms. Kearns is not sure if she understands, in July 2008 the RMLD was in the red for \$662,000 now in February 2009 the RMLD is at \$3 million.

Mr. Cameron explained that sometimes the fuel prices move quicker than the RMLD can move its fuel charge and the Deferred Fuel Reserve can be depleted. However, over the last seven months the RMLD has built the fund up again.

Mr. Cameron said there is \$3 million in the Deferred Fuel Cash Reserve Fund.

Chair Hahn reiterated due to the volatile fuel prices you do not want to be short when the ramp up of prices comes. Gas prices are extremely low, however eight months ago, they were at an all time high. When procuring power supply in the future in the market you want to try to not have a 2¢ increase in the Fuel Charge. You want to have enough to ride that out. Chair Hahn is not sure if \$1.75 million is enough.

Mr. Soli said that the half cent maximum monthly change should be addressed as well.

Discussion followed on the amount that should be in the Deferred Fuel Cash Reserve Fund. The Department will get back to the Board on the level of funding required because the nature of the market has changed since the prior recommended funding level.

Power Supply Report for the month of February 2009

Ms. Parenteau said that the estimated numbers are the same as those found in the Financials. Ms. Parenteau reported that RMLD's load for February 2009 was approximately 54 million kWhs which was a 6.5% decrease compared to February 2008 which was a leap year. Year to date the load was down 3.42%. If you take in account the leap year the load is down 1.72%.

Energy costs were \$3.4 million that is equivalent to the fuel charge of \$0.064/kWh. In February, Fuel Charge Adjustment was \$0.069/kWh. RMLD overcollected in the Fuel Charge by approximately \$457,000 resulting in a Deferred Fuel Cash Reserve balance of approximately \$3 million.

Ms. Parenteau commented that RMLD lowered the Fuel Charge Adjustment for March to \$.064 and anticipates to further reduce the Fuel Charge Adjustment in April to \$.059/kWh and anticipates that this will stabilize. Some of the \$3 million in the Deferred Fuel Reserve will be used in March and April to reduce the Fuel Charge Adjustment. The affect of this is the Deferred Fuel Cash Reserve will be at a \$2.0 to \$2.3 million level.

Mr. Soli asked in Table 1 the kilowatt hours are used to estimate the cost, is that correct?

Ms. Parenteau replied that the rate and the power energy costs were estimated because the last two months MMWEC has been late, which is out of the RMLD's control.

Ms. Parenteau said that in February the RMLD purchased 13.4% of its requirements from the ISO New England spot market. The market has significantly decreased from January to February.

Ms. Parenteau stated that prices in the Day Ahead Market are down 30% and the Real Time is down 27%. RMLD hit a demand of 107.19 megawatts on February 3 at 7:00 p.m. This compares to a demand of 108.7 that occurred in the previous year, February 11 at 7:00 p.m. RMLD's requirement for February was 226 megawatts. The RMLD paid

\$1.45 million in capacity costs that is equivalent to \$6.40/kilowatt month. The RMLD paid \$502,000 for transmission costs for February 2009.

Agreed-Upon Procedures for the Calculation and Recording of PASNY Credit

Mr. Seldon reported that the RMLD obtained the services of Melanson Heath & Company, PC to evaluate the calculation of the PASNY credit as requested by the Board. The report concluded that the methodology the RMLD utilizes to calculate the PASNY as a credit is reasonable and appropriate. The report does recommend that the RMLD modify how RMLD accounts for the PASNY credit on its books. Mr. Seldon said that other utilities calculate the PASNY using an alternative method. A legitimate argument could be made for calculating the PASNY credit by either alternative.

The Board requested that at the last Board meeting that staff compare the PASNY credit using both methodologies. Mr. Seldon reported that the staff calculated the PASNY credit with 2008 as the test year using both methodologies and found that the RMLD's method proved to give the customer a better credit for ten out of the twelve months.

Chair Hahn commented that the methodology the RMLD uses for the PASNY credit results in lower bills than the alternative method.

Ms. Kearns said that it is important to note in the Melanson Heath report that the RMLD calculation achieves two things: 1. the residential customers get the benefit of the lower PASNY costs, and 2. rates are sufficient enough to cover overall costs, the current calculation is reasonable and appropriate.

Mr. Soli said that neither Mr. Seldon's report nor Melanson Heath's meets the requirement of the Federal Regulatory Commission that reauthorized the New York Power Authority that power provided to adjacent states in New York that this power shall be for residential use only and shall be provided at the lowest possible costs.

Mr. Soli commented that for three months last year, the residential customers subsidized everybody else for \$100,000 a month on the Fuel Charge.

Mr. Soli used several charts to show how he believes the RMLD should do the PASNY credit and to point why he thinks the RMLD's PASNY Credit methodology is flawed. Mr. Soli suggested that the Board take action to make sure we get in compliance with the FERC order.

Mr. Pacino pointed out to Mr. Soli that it is unfair to present material without having staff look at this information because it does not give the Department the opportunity to do their homework and that it is inappropriate. Furthermore, to make accusations that the Department is violating laws is upsetting. Mr. Pacino said that Mr. Soli did not share the material in advance so that the Board and Staff could do homework on it. Mr. Pacino stated that he has been on the Board for twenty-two years but is unsure of what Mr. Soli is talking about in his presentation. Mr. Pacino reiterated that this material should be shared in advance.

Chair Hahn said that he echoes Mr. Pacino's comments.

Mr. Soli stated that he is discussing issues, not personalities.

Chair Hahn stated that auditors looked at the PASNY calculation and concluded that the method the Department uses for the PASNY calculation is valid. Chair Hahn commented that the auditors said there was an alternative method that the staff looked at, which is higher for the residential. Chair Hahn commented that to bring things up in this manner is what caused this trouble in the first place. Chair Hahn told Mr. Soli that if he had any information he would like examined by the staff or Board members then they should be able to look at it beforehand so the information presented can be verified. Chair Hahn pointed out he echoes Mr. Pacino's comment that the presentation is inappropriate. Chair Hahn suggested Mr. Soli puts his concerns in writing in advance so they can be addressed. Chair Hahn commented that the General Manager and staff have demonstrated that their calculation is appropriate. Chair Hahn said that the proper channel would be Mr. Soli's concerns are put in writing and addressed at the committee level.

Mr. Cameron stated that this level of detail deserves a review at the committee level.

Ms. O'Neill said that the Board accepted the Melanson Heath report last month she believes the Board has accepted the methodology correctly, employed by the RMLD.

Status Report on the Conservation and Energy Efficiency Program

Ms. Parenteau reported that this is an update on the June 30, 2008 memo sent to the Board on RMLD's conservation and energy efficiency programs.

Ms. Parenteau reported as follows:

Residential Energy Conservation Programs
Tier 1 & Tier 2, Free Residential Energy Audits

Tier 1 \$12,219 spent as of February 28 Tier 2 - 90 residential audits have been performed at a cost of \$12,420.

Appliance Rebate Program

Seven appliances are eligible for rebates from this program. The budget for this program is \$60,000, to date paid out \$11,175.

Solar Water Heating

The RMLD is exploring a solar water program once the Energy Efficiency Manager person is up and running this will be researched.

Water Heating Rate

This is an existing rate with 700 customers are on the hot water rate with the goal to add 50 additional customers.

Residential Time of Use

February 2008 to February 2009 there were only 7 new customers.

Additional Insulation Levels

The RMLD is exploring an insulation program with 40 homes averaging a \$300 rebate for 1,000 square feet. There is \$12,000 budgeted for this program.

Combined Heat and Power

There are 2 customers in Wilmington that had installed a combined heat and power system. The RMLD is looking into such a rebate program.

Partnering

Partnering with entities in the energy field and local businesses to explore potential for partnership.

Status Report on the Conservation and Energy Efficiency Program
Commercial Energy Conservation Programs
Lighting

On the commercial side the existing lighting program has been revised from \$5,000 to \$10,000. RMLD has expensed approximately \$50,000 year to date.

Energy Audit Program

This fiscal year \$50,000 was budgeted for commercial energy audit program. Ms. Parenteau explained that the RFP was awarded to ENE for commercial audits and their person who performed these audits left therefore the position was recently replaced. Only 2 commercial audits have been performed.

Heating, Ventilation and Cooling (HVAC)

The RMLD does not have expertise in this area, and when the Energy Efficiency Engineer comes on staff, that will be put in place as soon as possible.

Renewable Energy Projects

The Key Accounts Managers have sent notices regarding the Demand Side Management Program to all 500 club customers to work on the ISO and the RMLD load response program. The Key Accounts Managers are working with ISO providers.

Time of Use Rate

There has been an increase from 2008 to 2009, of 10 commercial customers and 7 residential customers. Residential Hot water no new customers.

In addition, the Key Accounts Managers are monitoring the 500 club Time of Use.

Renewable Energy Projects

The RMLD is proposing to set up a fund that will review commercial/industrial/municipal renewable projects. Renewable project rebates are capped at \$5,000 per project, maximum of ten projects.

Energy Efficiency Engineer

Ms. Parenteau is pleased to announce that Jared Carpenter will be starting on April 1 in the position of Energy Efficiency Engineer and is enthusiastic to have him. His credentials include a Bachelor of Science in Electrical Engineering from Northeastern University as well as a background in conservation and efficiency.

Chair Hahn suggested that Mr. Carpenter be invited to the next RMLD Board meeting.

Ms. O'Neill asked are there any outstanding requests for audits from commercial customers?

Ms. Parenteau replied, "no." Audits have been performed for the Towns of Wilmington and North Reading.

Ms. O'Neill asked how does the Department reach customers about the residential hot water rate and time-of-use rates? Can the sign up be online?

Ms. Parenteau replied that the Customer Specialists address this when customers call in, however, customers can e-mail the Department.

Mr. Cameron pointed out that in the *In Brief* there have been articles on these rates.

Engineering and Operations Update for the month of February 2009

Mr. Sullivan presented the Engineering and Operations update for February 2009. The following are the projects and amounts spent this month:

Project 1 4kv Retirement Stepdown Areas, \$78,223, Project 9 Reading Center – Main Street, \$2,495.

Project 10 Reading - Center Haven Street, \$66,655, Project 11 Transformer Replacement – Station 4 - Part 3, \$25,572

Project 13 Service Installations Residential Customers, \$9,794, Routine Construction, \$88,675

Mr. Sullivan reported that there were 42 cutouts done this month for a total year to date of 373.

Project 29 Forced Account Reading - \$11,000

Mr. Sullivan reported on the reliability report that the CAIDI number is down one minute for the month to 55.09 minutes. The SAIFI number, the RMLD is at 1.09 outages for this month that is slightly up from last month 1.07. MBTI is 11.01. January was marginally better.

Gaw Update

Mr. Sullivan reported that the transformers were filled starting last week and completed the Monday of this week by Wauskesha. Mr. Sullivan said that RMLD Senior Technicians are working on wiring modifications and relay upgrades. The Substation Manager is working with the switch manufacturer. Mr. Sullivan has included a milestone graph.

Mr. Sullivan said that there is acceptance testing and warranties on the transformers.

Mr. Sullivan said that we are on schedule with the new schedule.

M. G. L. c. 30B Bids

IFB 2009-24 -750 MCM 15KV Strand Shield Power Cable

Mr. Sullivan explained that this is for 750 MCM cable Sections 2 and 11 for Gaw.

Ms. Kearns asked why Stuart Irby was not selected?

Mr. Sullivan replied that they have what is classified as a reduced neutral that is not in the specs.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-24 for 750 MCM 15 KV Strand Shield Power Cable be awarded to Arthur Hurley Company for a total cost not to exceed of \$130,150.00 as the lowest qualified bidder on the recommendation of the General Manager.

<u>Item</u>	<u>Quantity</u>	<u>Desc.</u>	<u>Unit Cost</u>	<u>Net Cost not to exceed</u>
1	11,850'	750 MCM 15 KV strand shield power cable	\$10.96 ft	\$130,150.00

Motion carried 5:0:0.

IFB 2009-25 - 750 MCM 15 KV Tape Shield Power Cable

Mr. Cameron explained that there is no motion on this bid because it is going out for rebid. This is informational only.

IFB 2009-26 - Single Phase Pad Mount Transformers

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-26 for Single Phase Pad Mounted Transformers be awarded to Graybar Electric Company for a total cost of \$71,024.00 as the lowest qualified bidder on the recommendation of the General Manager.

<u>Item (desc.)</u>	<u>Qty</u>	<u>Mfr</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (25 kVa)	3	GE	\$1,379.00	\$4,137.00
3 (37 ½ kVa)	8	GE	\$1,657.00	\$13,256.00
4 (37 ½ kVa dual)	6	GE	\$1,916.00	\$11,496.00
5 (50 kVa)	8	GE	\$1,596.00	\$12,768.00
6 (50 kVa dual)	6	GE	\$1,976.00	\$11,856.00
7(100 kVa)	3	GE	\$2,379.00	\$7,137.00
8(167 ½ kVa)	3	GE	\$3,458.00	\$10,374.00

Motion carried 5:0:0.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-26 for Single Phase Pad Mounted Transformers be awarded to WESCO for a total cost of \$5,637.00 as the lowest qualified bidder on the recommendation of the General Manager.

<u>Item (desc.)</u>	<u>Qty</u>	<u>Mfr</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
2 (25 kVa dual)	3	Ermco	\$1,879.00	\$5,637.00

Motion carried 5:0:0.

Ms. O'Neill asked if this is it for the year?

Mr. Cameron replied, "no" and the Department will be bidding out on soy oil transformers.

Ms. O'Neill asked when an inventory analysis is performed?

Mr. Fournier replied that it is performed once a year, however, cycle counts are performed monthly.

IFB 2009-27 - Three Phase Pad Mount Transformers

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-27 for Three Phase Pad Mounted Transformers be awarded to Stuart C Irby for a total cost of \$101,088.00 as the lowest qualified bidder on the recommendation of the General Manager.

<u>Item (desc.)</u>	<u>Mfr</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (112 ½ KVA 13800 Delta)	Pauwels	2	\$5,497.00	\$10,994.00
2 (300 KVA 13800 Delta with taps)	Pauwels	3	\$9,232.00	\$27,696.00
3 (500 KVA 13800 Delta with taps)	Pauwels	2	\$11,559.00	\$23,118.00

5 (225 KVA 13800 Delta with taps)	Pauwels	2	\$7,815.00	\$15,630.00
6 (1500 KVA 13800 Delta with taps)	Pauwels	1	\$23,650.00	\$23,650.00

Motion carried 5:0:0.

Mr. Soli made a motion seconded by Mr. Pacino Move that bid 2009-27 for Three Phase Pad Mounted Transformers be awarded to WESCO for a total cost of \$12,108.00 as the lowest qualified bidder on the recommendation of the General Manager.

<u>Item (desc.)</u>	<u>Mfr</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
4 (150 KVA 13800 Delta w/ taps)	Ermco	2	\$6,054.00	\$12,108.00

Motion carried 5:0:0.

IFB 2009-28 - Single Phase Pole Mount Transformers

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-28 for Single Phase Pole Mounted Transformers be awarded to Graybar Electric Company for a total cost of \$9,700.00 as the lowest qualified bidder on the recommendation of the General Manager

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (25 kVa)	10	GE	\$970.00	\$9,700.00

Motion carried 5:0:0.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-28 for Single Phase Pole Mounted Transformers be awarded to WESCO for a total cost of \$39,225.00 as the lowest qualified bidder on the recommendation of the General Manager.

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
2 (37 ½ kVa)	25	Ermco	\$1,569.00	\$39,225.00

Motion carried 5:0:0.

IFB 2009-29 -Three Phase Pole Mount Transformers

Mr. Sullivan said that there is only one manufacturer of this product.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-29 for Three Phase Pole Mounted Transformers be awarded to WESCO for a total cost of \$28,228.00 as the only qualified bidder on the recommendation of the General Manager.

<u>Item (desc.)</u>	<u>Qty</u>	<u>Manufacturer</u>	<u>Unit Cost</u>	<u>Total Net Cost</u>
1 (45 kVa)	2	ABB	\$3,195.00	\$6,390.00
2 (150 kVa)	2	ABB	\$6,261.00	\$12,522.00
3 (225	1	ABB	\$9,316.00	\$9,316.00

kVa)				
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Motion carried 5:0:0.

M.G. L c. 149 and c. 30 s.39

IFB 2009-35 - Gaw Station - Transformer Replacement - Construction

Mr. Sullivan reported that this bid is for the Gaw substation and is covered under M.G. L c. 149 and c. 30 s.39 both under public works and construction specs. Mr. Sullivan said they concentrated on the two low bidders JF White and Fischbach & Moore. Mr. Sullivan stated that Fischbach had a complete bid packet that complied completely with UPG as their testing contractor. Mr. Sullivan commented that the JF White bid was incomplete; HVM is their testing contractor; HVM's information was incomplete. Mr. Sullivan said the Department asked HVM for more information. The information that HVM sent back demonstrated that had they some specialty on maintenance of relays. There was no information provided on the relay modifications for changes on the relays. Based on this Fischbach & Moore is the most responsive and responsible bidder.

Chair Hahn asked if the Department had any experience with Fischbach & Moore?

Mr. Sullivan replied Fischbach & Moore does the RMLD's underground work.

Ms. Kearns asked the amount in the budget was \$1.45 million and the bid came in at \$1.04 million how is that discrepancy explained?

Mr. Sullivan replied that it is a sign of the times.

Ms. O'Neill said that she is concerned that some of the testing is not included in the budget.

IFB 2009-35 - Gaw Station - Transformer Replacement - Construction

Mr. Sullivan reported that in Section 11 of the fiscal year 2009 capital budget - for Gaw Station, not only the contractor, but the electrical testing as well as the moving and storage of transformers totals \$1.85 million. Deducting some other items at \$260,000 results in a savings of over \$550,000.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-35 for Gaw Station – Transformer Replacement – Construction be awarded to Fischbach & Moore for a total cost of \$1,040,000.00 as the lowest qualified bidder on the recommendation of the General Manager.

Motion carried 5:0:0.

M. G. L. c. 30B Bids

IFB 2009-34 - Line Chassis Inspection and Preventative Maintenance Services

Mr. Cameron explained that this is for annual chassis inspection and preventative maintenance for RMLD's trucks. The lowest two bidders took exception to the RMLD insurance requirements.

Ms. Kearns stated that she is impressed the level of detailing in their billing.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-34 for Line Truck Chassis Inspection and Preventative Maintenance Service be awarded to Taylor & Lloyd for \$95,968.32 as the lowest qualified bidder that meets the needs of the RMLD on the recommendation of the General Manager. This is a three-year contract.

Motion carried 5:0:0.

IFB 2009-32 - Line Truck Lift Equipment and Preventative Maintenance Services

Mr. Cameron reported that the two lowest bidders took exception to RMLD's insurance requirements of \$5 million. Mr. Cameron pointed out for this type of work the \$5 million insurance criteria is not unusual.

Chair Hahn said that this insurance amount is not a new requirement because these companies have performed work for the RMLD in the past.

Ms. Kearns commented that two bidders would not meet the insurance requirement for this bid. Ms. Kearns is unsure if the insurance requirement level is correct.

Mr. Cameron pointed out that this is a sign of the economic times and insurance companies tightening up the issuance of such policies. Mr. Cameron said that this is heavy equipment and the \$5 million is not unreasonable.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2009-32 for Line Truck Lift Equipment Inspection and Preventative Maintenance Service be awarded to James A. Kiley Co. for \$87,465.00 as the lowest qualified bidder on the recommendation of the General Manager. This is a three-year contract.

Motion carried 5:0:0.

SCHEDULE FOR UPCOMING BOARD MEETINGS

Monday, April 27 – Town of Reading Town Meeting

Tuesday, April 28 – RMLD Board Meeting

Wednesday, May 27 – RMLD Board Meeting

Board Rotation at Citizens' Advisory Board Meetings:

Chair Hahn stated that he will cover the next Citizens' Advisory Board meetings in April.

May, Commissioner Kearns

June, Commissioner Pacino

Executive Session

At 9:30 p.m. Mr. Soli made a motion seconded by Ms. Kearns that the Board go into Executive Session to consider power supply issues and the purchase of real property and to return to regular session for the sole purpose of adjournment.

Motion carried by a polling of the Board 5:0:0.

Ms. Kearns, Aye; Mr. Soli, Aye, Chair Hahn, Aye; Mr. Pacino, Aye; and Ms. O'Neill, Aye.

Motion to Adjourn

At 10:15 p.m. Mr. Soli made a motion seconded by Ms. O'Neill to adjourn the meeting.

Motion carried 5:0:0.

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

Robert Soli, Secretary
RMLD Board of Commissioners