

**Reading Municipal Light Board of Commissioners**  
**Executive Session**  
**230 Ash Street**  
**Reading, MA 01867**  
**June 22, 2011**

**Start Time of Executive Session: 8:55 p.m.**

**End Time of Executive Session: 9:15 p.m.**

**Commissioners:**

**Richard S. Hahn, Chairman**

**Philip B. Pacino, Vice Chairman**

**Gina Snyder, First Secretary**

**Mary Ellen O'Neill, Second Secretary**

**Robert Soli, Commissioner**

**Attendees:**

**Vincent Cameron, General Manager**

**Approval of Minutes of March, 30, 2011 Executive Board Meeting**

Ms. Snyder made a motion seconded by Mr. Soli to approve the Executive Session meeting minutes of March 30, 2011 as presented.

**Chairman Hahn called for a poll of the vote:**

Chairman Hahn, Aye; Mr. Pacino, Aye; Ms. Snyder; Aye. Ms. O'Neill, Aye and Mr. Soli, abstained.

**Motion carried 4:0:1.**

**MMWEC Arbitration Update**

Mr. Cameron said that he had not updated the RMLD Board on the progress of the MMWEC Arbitration since last fall. Mr. Cameron went through the entire history of the MMWEC Audit that started in 2008 which led to the MMWEC Arbitration that was filed in 2009. Arbitration is the remedy available in the contracts with MMWEC when there is a disagreement. In addition to Reading (with 28% of the costs), Hingham, Braintree, Middleton, Georgetown, Littleton, and Danvers are involved in the arbitration effort and share the costs. The RMLD's costs from 2008 to date for the MMWEC audit and arbitration total \$118,000. The arbitration addresses concerns related to the following:

- There is insufficient back up data to support MMWEC's Monthly Power Supply Agreement (PSA) billings.
- MMWEC has charged the PSA holders for activity that is unrelated to the PSAs.
- The allocation methodology used by MMWEC to allocate costs to their members, PSA holders and others is unfair and allocates too much overhead to the PSAs.

Mr. Cameron said that earlier this year during preparations for the depositions Rubin and Rudman enlisted the assistance of Cadwalader, a law firm used by the Littleton Electric Light Department. The RMLD will be seeing a bill in the payables for over \$9,000 from Cadwalader. Mr. Cameron went onto say that the ongoing costs for the RMLD between now and October would be \$30,000 to \$50,000 and would be for depositions and the arbitration hearings.

Mr. Cameron said the municipals involved in the arbitration have tried to settle some of the issues in the arbitration, but MMWEC has been unwilling to settle. Mr. Cameron is confident, along with the other systems, that the RMLD will prevail in the arbitration and the arbitration expenses will be paid back through lower PSA bills over a two or three year period. Ideally, over-charges would be rebated, however, it is unclear whether that objective could be obtained at this point. Mr. Cameron is confident that with a settlement, RMLD's costs would decrease.

Mr. Hahn asked what the RMLD's side was proposing as an allocation methodology. Mr. Cameron said that the exact details of that are in discussion and would be presented during the arbitration.

Discussion followed.

**Motion to Adjourn**

At 9:15 p.m. Mr. Pacino made a motion seconded by Mr. Soli that the Board adjourn the Executive Session and return to Regular Session for the sole purpose of adjournment.

**Chairman Hahn called for a poll of the vote:**

Chairman Hahn, Aye; Mr. Pacino, Aye; Ms. O'Neill, Aye; Mr. Soli, Aye, and Ms. Snyder; Aye.

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

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

Gina Snyder, Secretary  
RMLD Board of Commissioners