

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

Start Time of Executive Session: 9:40 p.m.

End Time of Executive Session: 10:15 p.m.

Attendees:

Commissioners:

Richard Hahn, Chair

Robert Soli, Secretary

Philip Pacino

Mary Ellen O'Neill, Vice Chair

Ellen Kearns

Staff:

Vinnie Cameron, General Manager

Bill Seldon, Senior Energy Analyst

Jane Parenteau, Energy Services Manager

Guest:

Peter Hechenbleikner, Reading Town Manager

Chair Hahn called the meeting to order and asked that the Barbas Warehouse update be taken up first since Mr. Hechenbleikner is here to give the Board his perspective on the issue.

Barbas Warehouse Update

Mr. Cameron updated the Board on the possible property purchase of land at 240 Ash Street, which is adjacent to the RMLD's office building, which would be an alternative to storing the RMLD's inventory in the Barbas warehouse. Mr. Cameron stated that the property tax for the property was approximately \$4,000 annually. Mr. Cameron also said that he has researched the process the RMLD needed to pursue in order to purchase the property and has concluded that the RMLD would have to go to Town Meeting in order to get permission to purchase the property. Mr. Hechenbleikner agreed with that information.

Mr. Hechenbleikner then gave his opinion of the possibility of the RMLD purchasing the land at 240 Ash Street. Mr. Hechenbleikner encourages the RMLD to purchase the land. Mr. Hechenbleikner believes that the RMLD's aim of keeping the storage of inventory in the vicinity of its property makes sense.

Mr. Cameron said that the RMLD acquiring this land instead of leasing the Barbas Warehouse has about a two to four year payback depending on the price the land can be acquired at.

Discussion followed.

The sense of the Board was that the General Manager contact the seller of the land at 240 Ash Street and start negotiations and come back to the Board prior to any agreement on the land purchase.

Mr. Hechenbleikner left the meeting at 9:50 pm.

Power Supply Update

Ms. Parenteau then explained to the Board that the power supply environment has changed recently and the amount of power suppliers has diminished, mostly due to the economy and the requirement to meet risk requirements.

Discussion followed.

Ms. Parenteau said that since natural gas pricing is the lowest it has been in a while, the RMLD should consider going out to bid for power supply to fill its needs in 2010, 2011, 2012, and 2013. However, Ms. Parenteau said that most suppliers would not respond with bids for 2013.

Ms. O'Neill asked if the RMLD worked with other utilities in power supply bids and would it be advantageous? Ms. Parenteau responded that there really is no advantage from suppliers in bidding out larger amounts of power supply.

Chair. Hahn asked if the RMLD would go out for a certain type of contract. Mr. Seldon stated that the RMLD would be going out for either heat rate fuel index or fixed contracts, as the RMLD had done in the past.

Power Supply Update

Ms. Kearns asked how the heat rate fuel index contracts performing? Ms. Parenteau stated that they are working very well and had given the RMLD the flexibility that was intended.

Ms. Parenteau then updated the Board on the Middleton Peaking Project. Ms. Parenteau said that the project was in its early stages and the generation configuration was still undecided, however, there were four configurations being considered. Ms. Parenteau also stated that there were issues concerning land and water, which were important in the decision making process on the project.

Mr. Cameron mentioned that the RMLD and Middleton were looking at owning a portion of the Middleton plant through the creation of a Cooperative however; this was in the early stages.

Ms. O'Neill mentioned that she would like to see the risk/reward of such a Coop set up.

Ms. Parenteau updated the Board on the Braintree Municipal Light Department's Watson Generating unit, which is scheduled to be online later this spring.

Ms. Parenteau mentioned that the RMLD is still interested in a portion of a generating plant in the early stages of development in Taunton, adjacent to the site of the Cleary Unit, owned by the Taunton Municipal Light Department.

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Mr. Soli made a motion seconded by Ms. O'Neill to approve the Executive Session meeting minutes of February 25, 2009 as presented.

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

Motion to Adjourn

At 10:15 p.m. Mr. Soli made a motion seconded by Ms. O'Neill that the Board return to Regular Session for the sole purpose of adjournment.

Motion carried 5:0:0.

Chair Hahn called for a poll of the vote:

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

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