

Reading Municipal Light Board of Commissioners
Executive Session
230 Ash Street
Reading, MA 01867
February 27, 2007

Start Time of Executive Session: 9:00 p.m.

End Time of Executive Session: 10:05 p.m.

Attendees:

Commissioners: Messrs. Pacino, Soli, Hahn, Mses. Kearns and O'Neill

CAB: Mr. Carakatsane

RMLD Staff: Messrs. Cameron and Seldon
Mses. Antonio and Parenteau

Executive Session Minutes

October 18, 2006

Mr. Hahn made a motion seconded by Mr. Soli that the Executive Session meeting minutes of October 18, 2006, be approved as presented.

Motion carried 5:0:0.

November 15, 2006

Mr. Soli made a motion seconded by Mr. Hahn that the Executive Session meeting minutes of November 15, 2006, be approved as presented.

Motion carried 5:0:0.

January 17, 2007

Mr. Soli made a motion seconded by Mr. Hahn that the Executive Session meeting minutes of January 17, 2007, be approved as presented.

Motion carried 5:0:0.

Power Supply Update

Mr. Cameron said that the sense of the Board on the power supply strategy was to get the contracts in place. Mr. Cameron explained that Jane Parenteau and Bill Seldon have developed a Power Supply Contract Matrix that demonstrates how the RMLD has evaluated the significance of each article within the Power Sales Agreement.

Ms. Parenteau stated that since the RMLD Board meeting on January 17, 2007, she, Messrs. Cameron and Seldon met with Attorneys Barna and Pollart. In this meeting they went over the FP&L contract in which there were a handful of issues that needed addressing. Subsequently they have received a redrafted contract, which is close to being finalized. They do not have the JP Morgan contract rated on the matrix because they need to complete negotiations with them. They are awaiting comments back from JP Morgan. Attorney Pollart expects to have these by the end of the week.

Ms. Parenteau said that the RMLD currently has five other strong contracts. Ms. Parenteau explained that they came up with the Power Supply Contract Matrix as a means of scoring each contract. This matrix includes contract criteria that the RMLD feels is important. Each of the criteria is then weighted and ranked. Ms. Parenteau said that the contracts have not been rated in terms of corporate philosophy for the environmental issues because they are researching this topic.

Ms. Parenteau said that relative to credit support they were looking for strong guaranties from either the company itself or the parent company, if applicable. Ms. Parenteau pointed out that the Calpine contract provided good credit support.

Ms. Parenteau said that the Morgan Stanly contract provides for a one hundred percent guaranty, although they have no physical assets.

The sense of the Board is to have a joint meeting with the Citizens' Advisory Board within the next week to authorize the General Manager to execute the contracts.

Mr. Cameron pointed out to the Board if they meet within the next week they all need to vote in the affirmative since only three members will be present.

Data Security Update

Mr. Cameron stated that the Board had requested in lieu of a security audit that Mark Uvanni, MIS Manager, attend seminars on security. Mr. Cameron explained that Mr. Uvanni had enrolled in a class at Boston University in March, which has been rescheduled to May. Once Mr. Uvanni attends this training, he will give a report to the Board.

Physical Security Update

Mr. Cameron informed the Board that Liability Consultants has been in to perform their physical security assessment. Mr. Cameron stated that Liability Consultants will make a report to the Board once they have gathered their findings.

Union Negotiations Update

Mr. Cameron and Ms. Antonio updated the Board on the status of the negotiations with the Line Meter Station, Clerical Technical and Professional Union. Mr. Cameron reported on the favorable outcome of arbitrations.

Motion to Adjourn

At 10:05 p.m. Mr. Soli made a motion seconded by Mr. Hahn to adjourn the Regular Session for the sole purpose of adjournment.

Motion carried 5:0:0.

Chairman Pacino 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