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**AGENDA
REGULAR SESSION**

CITIZENS' ADVISORY BOARD (CAB)

THURSDAY, MAY 20, 2010
5:00 P.M.

at
READING MUNICIPAL LIGHT DEPARTMENT
R&C CONFERENCE ROOM
230 Ash Street
Reading, MA 01867

1. Call Meeting to Order – A. Carakatsane, Chairman
2. Executive Session
Suggested Motion:
Move that the CAB go into Executive Session based on Chapter 164 Section 47D, exemption from public records and open meeting requirements in certain instances, to discuss power supply, to approve minutes, and to return to Regular Session.
3. Minutes of Meeting – February 18, 2010 - A. Carakatsane
4. Strategic Power Supply Procurement Strategy – V. Cameron, J. Parenteau
5. Capital Budget – **DRAFT 2** – V. Cameron
Suggested Motion:
MOVE that the CAB recommend to the RMLD Board of Commissioners the second draft of the FY11 Capital Budget in the amount of \$5,605,581 dated May 13, 2010. Any significant changes are to be submitted to the CAB for review and recommendation.
6. FY11 Operating Budget – **DRAFT 2**- V. Cameron
Suggested Motion:
MOVE that the CAB recommend to the RMLD Board of Commissioners the acceptance of the second draft of the FY11 Operating Budget based on a Net Income Amount of \$2,309,819. Any significant changes are to be submitted to the CAB for review and recommendation.
7. Twenty-Year Agreement Extension Update – V. Cameron
8. Other Items for Discussion
NEPPA Annual Conference – August 15 – August 17, 2010 – Providence, RI
Suggested Motion:
MOVE that five members of the CAB be authorized to attend the 2009 NEPPA Annual Conference.
9. Schedule Next Meeting (June – Cost of Service Study)
10. Adjournment

Next RMLD Board Meeting: Wednesday, May 26, 2010, 7:00 P.M. (Note change in time)
CAB Representative: TBD



Reference Information - Appropriate topics for Executive Session: This Agenda has been prepared in advance and does not necessarily include all matters, which may be taken up at this meeting.

Chapter 164: Section 47D. Exemption from public records and open meeting requirements in certain instances

Section 47D. A municipal lighting plant created pursuant to the provisions of this chapter or any special law shall be exempt from the public record requirements of section 10 of chapter 66 and the open meeting requirements of section 23B of chapter 39 in those instances when necessary for protecting trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter when such municipal lighting plant board determines that such disclosure will adversely affect its ability to conduct business in relation to other entities making, selling, or distributing electric power and energy pursuant to this chapter.

Reference Information - Appropriate topics for Executive Session: This Agenda has been prepared in advance and does not necessarily include all matters, which may be taken up at this meeting.

- (1) to discuss the "reputation, character, physical condition or mental health rather than the professional competence" of a particular individual,
- (2) to consider the discipline or dismissal of, or to hear complaints or charges brought against a public officer, employee, staff member, or individual,
- (3) to discuss strategy with respect to collective bargaining or litigation, if an open meeting may have a detrimental effect on the bargaining or litigating position of the governmental body; to conduct strategy sessions in preparation for negotiations with nonunion personnel; and to conduct collective bargaining sessions or contract negotiations with nonunion personnel,
- (4) to discuss the deployment of security personnel or devices,
- (5) to investigate charges of criminal misconduct or to discuss the filing of criminal complaints,
- (6) to consider the purchase, exchange, lease or value of real property if an open discussion may have a detrimental effect on the negotiating position of the governmental body with a person, firm, or corporation,
- (7) to comply with the provisions of any general or special law or Federal grant-in-aid requirements,
- (8) to consider and interview applicants for employment by a preliminary screening committee or a subcommittee appointed by a governmental body if an open meeting will have a detrimental effect in obtaining qualified applicants; provided, however, that this clause shall not apply to any meeting, including meetings of a preliminary screening committee or a subcommittee appointed by a governmental body, to consider and interview applicants who have passed a primary or preliminary screening,
- (9) to meet or confer with a mediator, as defined in section twenty-three C of chapter two hundred and thirty-three, with

respect to any litigation or decision on any public business within its jurisdiction involving another party, group or body, provided that: (a) any decision to participate in mediation shall be made in open meeting session and the parties, issues involved and purpose of the mediation, shall be disclosed; and (b) no action shall be taken by any governmental body with respect to those issues which are the subject of the mediation without deliberation and approval for such action at an open meeting after such notice as may be required in this section.

and to return to regular session [choose applicable topics]

- (1) for the sole purpose of adjournment;
 - (2) for the purposes of continuing regular session;
- [individually list each Commissioner and their vote]**

Revised in accordance with the Open Meeting Law Guidelines, September, 2003

**CITIZENS' ADVISORY BOARD
MEETING MINUTES
Regular Session**

TIME: 6:30 P.M.
DATE: Thursday, February 18, 2010
PLACE: Reading Municipal Light Department, Spurr/AV Room, 230 Ash Street, Reading.
PRESENT: CAB: A. Carakatsane, Chairman, (Lynnfield), T. Sopchak, (Reading), G. Hooper (Wilmington), J. Norton (North Reading)
RMLD Board: Mary Ellen O'Neill, Chair
RMLD Staff: V. Cameron, P. O'Leary
Absent: Q. Vale (Wilmington)

1. Call Meeting to Order – A. Carakatsane, Chairman

Chairman Carakatsane called the meeting to order at 6:37 P.M.

2. Minutes of Meeting November 30, 2009 – A. Carakatsane

Mr. Norton made a motion seconded by Mr. Hooper to approve the Regular Session Minutes of November 30, 2009 as printed.

Motion carried 3:0:0.

3. Gaw Substation Update - V. Cameron

Mr. Cameron reported that the project expense is about \$6 million at this point. He noted that the project has been delayed because of the soil contamination issue. The original date of completion was January 2010; however, the last transformer won't be in place until May 2010.

Ms. Sopchak entered the meeting at this point.

Mr. Carakatsane asked about the PCB clean up.

Mr. Cameron updated the CAB on the contamination stating that a report has been filed with the EPA. He said that the costs presently are about \$500,000, and he expects the cost to be about \$1 million.

Discussion ensued.

4. Engineering & Operations Update – V. Cameron

a. Capital Budget Variance Report.

Mr. Cameron went over the report outlining what projects have been completed and what progress has been made on other projects.

b. Capital Plan/Reliability Report (1/31/2010)

Mr. Cameron stated that CAIDI shows the RMLD's system average at 40.62 whereas the industry average is 66. RMLD is about 33% below the industry average.

SAIFI shows the industry average at 1.6, and RMLD's is .52. This means that an RMLD customer experiences an outage once every two years, which is good.

5. Financials Update (12/31/2009) – V. Cameron

Mr. Cameron reported on the Quarterly Financials:

- Change in net assets for December was \$1,177,998 decreasing the net income for the first six months to \$1,387,000.
- A reforecast of revenues was done, and the kWh sales decreased by about \$1,256,000 in the base revenues, which will be reflected in upcoming financial reports. Reforecast is down 3.16% on the base side mainly due to the commercial sector taking advantage of conservation programs, i.e., the lighting program, and the economy.

- Purchase power base is \$293,000 or 2.1% over budget mostly due to transmission costs.
- O&M Expenses are under budget by \$330,000 or 6%.
- Energy Conservation and audit expense are under budget by \$141,000.
- Professional services are \$80,000 under budget.
- Cash on hand:
 - Operating Fund- \$6M
 - Capital Fund \$5.5M
 - Rate Stabilization Fund \$5.3M
 - Deferred Fuel Fund - \$2.5M

6. Power Supply Update (12/31/2009) – V. Cameron

- Peak demand for December was 112,865kW on 12/21/2009.
- Sold 62M kWhs, which was an increase over December 2008 probably due to weather.
- Total cost of energy on Table 1 - \$63.70
- Fuel charge for month .065 cents kWh or \$65.MWH
- Cost of energy from ISO on Table 2 - \$61.76
- Capacity – Table 3 - \$7.21 kW month. Had to reserve 245 kW to cover a peak of 112 MWs
- Transmission costs on Table 5 - \$566,000, which is a 16 % increase over 2008. Transmission costs are going up with new plant being built in New England.

7. Green Communities Act – V. Cameron

Mr. Cameron met with the four town managers today regarding the Act. There is concern that if Reading becomes a Green Community, and the RMLD joins the MTC (Massachusetts Technology Collaborative), do all customers have to pay the charge? The law says everyone has to pay. Reading's Town Manager, Peter Hechenbleikner met with Mark Sylvia, Division Director-Green Communities, Department of Energy Resources, and asked him this question. Mr. Sylvia said you have to opt in. Mr. Cameron stated that the RMLD's energy conservation program is a great flexible program that people are already taking using. He noted that the MTC only funds renewable projects, whereas the RMLD's program covers both energy conservation and renewable energy projects. Mr. Cameron will speak with Mr. Sylvia.

Discussion ensued.

8. Union Negotiations – V. Cameron

Mr. Cameron stated that agreement has been reached with all three unions: Regarding wage increases - Professional 0% for one year; Line-Meter-Station 0% 2010, 3% 2011, and 3% 2012; Clerical-Technical 0% 2010, 3% 2011, and 3% 2012. A few other minor changes were made.

10. Twenty-Year Agreement Extension – V. Cameron (out of order)

Mr. Cameron and Commissioner Pacino attended the North Reading and Reading Board of Selectmen's meetings, and both Boards voted unanimously to extend the Agreement. Mr. Cameron and Commissioner Pacino went to the Wilmington Selectmen's meeting, (Mr. Vale and Mr. Hooper were also present.) and explained the Twenty-Year Agreement and the extension process including that the Wilmington Town Meeting voted to authorize the Board of Selectmen to extend the Agreement last time. The Board of Selectmen thanked Mr. Cameron for the presentation, and stated the extension will be scheduled for the Town Meeting on May 1, 2010. Mr. Cameron noted that the extension went before the Lynnfield Town Meeting previously, and will do so this time.

9. Twenty-Year Agreement Amendment – V. Cameron

Mr. Carakatsane stated that the Amendment is on the table until the extension is approved.

11. Generation Portfolio Standard (attached) – Q. Vale

Mr. Carakatsane did not quite understand the documents. They appear to be a summary of regulations that he was not sure whether or not the legislature had approved.

Mr. Cameron stated that there is a Renewable Portfolio Standard that applies to the Investor Owned Utilities (IOU), and explained that municipalities are exempt from it.

Discussion ensued on renewable energy projects in New England.

12. Other Items for Discussion

a. CAB Rotation Schedule for RMLD Board Meetings

March - G. Hooper; April - Q. Vale; May - J. Norton; June - J. Norton; July - A. Carakatsane; August - T. Sopchak; September - G. Hooper; October - Q. Vale; November - J. Norton; December - A. Carakatsane.

Commissioner O'Neill requested that the CAB give a report of its meeting at the RMLD Board's meeting. She will be placing it on the Board's Agenda.

b. FY2011 Budgets

Ms. O'Leary stated that the budget preparation has begun, and reminded the CAB that two meetings will be necessary in April.

Mr. Carakatsane again requested the three-year comparison budget sheets.

13. Schedule Next Meeting

Wednesday, April 7 and Tuesday, April 13, 2010

Mr. Hahn pointed out that the next RMLD Board meeting will be on December 16, 2009 at 7:30 P.M.

14. Executive Session

Mr. Norton made the following motion at 7:39 P.M. seconded by Ms. Sopchak:

MOVE that the CAB go into Executive Session based on Chapter 164, Section 47D, exemption from public records and open meeting requirements in certain instances, to discuss power supply, to approve minutes, and return to Regular Session for the sole purpose of adjournment.

Motion carried unanimously 4:0:0 by a poll of the CAB: Mr. Norton - Aye; Ms. Sopchak - Aye; Mr. Hooper - Aye; Mr. Carakatsane - Aye.

15. Adjournment

Mr. Norton made a motion seconded by Mr. Hooper to adjourn Regular Session at 8:00 P.M.

Motion carried unanimously: 4:0:0.

Respectfully submitted,

John Norton, Secretary

Minutes approved on: _____

/pmo