

Reading Municipal Light Department (RMLD) Board of Commissioners

Policy Committee Agenda

Monday, April 5, 2010

10:00 a.m.

General Manager's Conference Room

1. Vehicle Policy, RMLD Policy 30, Revision 0
2. No Idling Policy, RMLD Policy 31, Revision 0
3. Red Flag Policy, RMLD Policy 29, Revision 0
4. OPEB Policy, RMLD Policy 8, Revision 0
5. RMLD Board of Commissioners Policy, RMLD Policy 19, Revision 12
6. Motion to Adjourn

READING MUNICIPAL LIGHT DEPARTMENT

RMLD POLICY NO. 30

Revision 0

Effective Date: _____

Authorization and Use of RMLD Vehicles

General Manager/Date

Chairman/Date

I. PURPOSE

- A. To establish guidelines by which the General Manager will assign RMLD vehicles for use by RMLD employees.

II. RESPONSIBILITIES

- A. The General Manager shall be responsible for determining the RMLD vehicle use for all RMLD employees.
- B. The General Manager will review the RMLD vehicle use at least once per year at a minimum or more frequently if required.
- C. The Facilities Manager shall be responsible for the maintenance and upkeep of the RMLD's fleet.

III. ADMINISTRATIVE

- A. The General Manager will assign vehicles to employees for use either during the workday or for vehicles taken home by employees overnight.
- B. The General Manager will review the need for vehicle use for a RMLD position when a RMLD position becomes vacant.
- C. Use of an RMLD vehicle is for business purposes only. A RMLD employee who takes the vehicle home is limited to travel to and from residence and place of work. Any unauthorized use of RMLD vehicle for personal use will result in disciplinary action.
- D. All RMLD vehicles shall be identified with the RMLD seal.
- E. Under no circumstances is the RMLD vehicle to be used to transport alcoholic beverages or controlled substances.
- F. If an RMLD vehicle is used for personal business due to an unforeseen emergency circumstance, the General Manager or his designee will be notified and reimbursement for the personal business will be arranged.
- G. Passengers in RMLD vehicles shall be limited to RMLD employees, RMLD Board and Citizens' Advisory Board members and minimally with other individuals involved in business with the RMLD.
- H. In all instances, RMLD vehicles are to be driven by RMLD employees who are properly licensed.
- I. There is no smoking in RMLD vehicles.
- J. When operating a RMLD vehicle, cell phone use is solely restricted to necessary business communications.
- K. Employees using RMLD vehicles will comply with RMLD's Anti Idling, RMLD Policy 31.

READING MUNICIPAL LIGHT DEPARTMENT

RMLD POLICY NO. 31

Revision 0

Effective Date: _____

Vehicle Anti Idling Policy

General Manager/Date

Chairman/Date

I. PURPOSE

- A. Over the last several years, the Commonwealth of Massachusetts and the Town of Reading have been attempting to lessen pollutants that pose a detriment to the region's air quality. These pollutants include nitrogen oxide, carbon dioxide, particulate matter, and volatile organic compounds. However, the region is still in a non-attainment status. Massachusetts has enacted an anti-idling law that prohibits the idling of any vehicle for longer than five minutes. While violation of this law can be punished by a fine of not more than \$100 for the first offense, nor more than \$500 for each succeeding offense, it is not the purpose of this policy to incur fines.

II. RESPONSIBILITIES

- A. Board of Commissioners

Shall direct the General Manager as to future changes required to this policy.

- B. General Manager

Shall be responsible for enforcing this policy.

Shall designate the vehicles for which this policy will be applicable. Some RMLD vehicles need to function while idling (bucket trucks and line trucks).

- C. RMLD Employees Using Company Owned Vehicles

RMLD employees operating designated non-idling vehicles/equipment should turn-off the unit when the vehicle will be parked for more than 30 seconds.

Exemptions:

In the following situations vehicle idling of RMLD vehicles may be allowed, as needed, but still with a goal of reducing vehicle idling to the maximum extent possible:

1. When stopped at traffic signals or other traffic control devices, or when idling in traffic;
2. RMLD vehicles at scenes or job sites where lights, Power-Take-Offs (PTOs), and/or other engine assisted accessories (for which alternate means cannot be made available) are needed to accomplish the mission;
3. Inclement weather situations where the supervisor authorizes the use of the vehicle/equipment heater-defroster for the work crew's comfort according to the guideline listed below. If the outside temperature is below 32 degrees F, engine use for 5 minute maximum.

Note:

- Operators of vehicle/equipment and supervisors will be judicious in the idling of units at emergency scenes and job sites. If not all the units at the scene/site need to be idling, those units which can be turned off must be turned-off.
- Supervisors in each department/division will be responsible for the education in this policy, and in adherence to and enforcement of this idling policy.

RMLD Red Flag Rule_____
General Manager/Date_____
Chairman/Date**I. PURPOSE**

- A. The Federal Trade Commission has issued regulations requiring municipal utilities to develop and implement written identity theft prevention programs under the Fair and Accurate Credit Transaction Act of 2003 (FACTA), 16 CFR § 681.2. These identity theft prevention programs must provide for the identification, detection, and response to patterns, practices or specific activities known as "red flags" that could indicate identity theft.

Red flags are patterns, practices, or specific activity that indicates the possible existence of identity theft. In addition, the Program must provide for a periodic updating process to reflect changes in risks to the creditor's customers.

II. RESPONSIBILITIES**A. RMLD Commission**

1. Responsible for review of the FACTA process at the RMLD as required.

B. General Manager

1. Responsible for ensuring that an employee at the level of senior management must be assigned to the Identity Theft Prevention (Program). The Accounting/Business Manager will delegate the duties of oversight, development, implementation, and administration of the Program to the MIS Manager.
2. Responsible for ensuring that staff prepares a report at least annually for the person specifically responsible for oversight of the program. The report should include an evaluation of the effectiveness of the Program with respect to opening accounts, existing covered accounts, service provider arrangements, significant incidents involving identity theft and responses, and recommendation for changes to the Program.

C. Accounting/Business Manager

1. The Accounting/Business Manager will appoint the MIS Manager who shall serve as Program Administrator. The Program Administrator will periodically review and update this Program to reflect changes in risks to customers and the soundness of the RMLD from Identity Theft. In doing so, the Program Administrator will consider the RMLD's experiences with Identity Theft situations, changes in Identity Theft detection and prevention methods, and changes in the RMLD's business arrangements with other entities. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator will update the Program or present the RMLD Board with his or her recommended changes and the RMLD Board will make a determination of whether to accept, modify or reject those changes to the Program.

II. RESPONSIBILITIES

D. MIS Manager

1. Responsible for developing, implementing and updating this Program lies with the Program Administrator. The Program Administrator will be responsible for the Program's administration, for ensuring appropriate training of RMLD staff, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, for determining which steps of prevention and mitigation should be taken in particular circumstances, and for considering periodic changes to the Program.
2. RMLD staff responsible for implementing the Program shall be under the direction of the Program Administrator in the detection of Red Flags and the responsive steps to be taken when a Red Flag is detected. Staff should prepare a report at least annually for the Program Administrator, including an evaluation of the effectiveness of the Program with respect to opening accounts, existing covered accounts, service provider arrangements, significant incidents involving identity theft and responses, and recommendations for changes to the Program.
3. In the event the RMLD engages a service provider to perform an activity in connection with one or more accounts, the RMLD will take the following steps to ensure that service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

Require, by contract, that service providers have such policies and procedures in place; and

Require, by contract, that service providers review the RMLD's Program and report any Red Flags to the Program Administrator.

Other Post Employment Benefits Liability (OPEB) Trust Fund

General Manager/Date

Chairman/Date

I. PURPOSE

- A. To establish a prospective process for investment of RMLD Other Post Employment Benefits Liability Trust Fund. These funds are under control of the RMLD Commissioners acting as Trustees of the RMLD Other Post Employment Benefits Liability Trust Fund.

II. RESPONSIBILITIES

A. Trustees of the RMLD OPEB Trust Fund

1. Responsible for periodically reviewing this policy to ensure its continuing adequacy to meet the purpose of the OPEB Trust. This review should be conducted triennially by the Board with the actuarial study of the OPEB.

B. Treasurer of the Town of Reading

1. Will be the custodian of the RMLD OPEB Trust Fund based on assignment by the Board of Commissioners. The custodian will ensure that the funds be invested and reinvested by the custodian consistent with the prudent investor rule set forth in Chapter 203c. Responsible, along with RMLD General Manager, for implementing this policy, selection of professional investment advisors and recommending to the Trustees any suggested policy changes.

C. RMLD General Manager

1. Responsible, along with Treasurer of Town of Reading, for implementing this policy, selection of professional investment advisors and recommending to the Trustees any suggested policy changes.
2. Responsible for informing the Board of Commissioners, at the next available Board meeting, of any investments made under this policy.

III. GENERAL GUIDELINES

A. Funds for the OPEB

1. Shall be invested and reinvested by the custodian consistent with the Prudent Investment Rule set forth in Chapter 203C of the General Laws of Massachusetts. The schedule and future updates shall be designed consistent with the standards issued by the Governmental Accounting Standards Board, to reduce the unfunded actuarial liability of health care and other post-employment benefits to zero as of an actuarially acceptable period of years to meet normal cost of all such future benefits for which the governmental unit is obligated.

B. Investment Philosophy

1. To maintain the principal of the Other Post Employment Benefits Liability Trust Fund.
2. To provide a consistent investment yield.

III. GENERAL GUIDELINES

C. Investment Criteria

1. OPEB Trust Funds may be invested in high quality stocks and bonds, rated at least "A" or equivalent.
2. OPEB Trust Funds may be invested in Bank(s) used by the Treasurer of the Town of Reading for town financial purposes in CD's collateralized by government securities held at a third party bank.
3. Bonds purchased shall be medium to short term (not to exceed 10 years) and be held to maturity.
4. Stocks shall comprise no more than 20% of the total Pension Trust fund.
5. Equities shall be purchased primarily for yield.

D. Investment Process

1. The Treasurer of the Town of Reading and the General Manager shall confer, by phone or in person, from time to time as to investments. The Treasurer of the Town of Reading and the RMLD General Manager shall use professional investment advisors for advice, consultation, and purchase and sale. The Treasurer and the General Manager are authorized to decide and transact any purchases to replace securities which mature, to replace bonds which are called or mature, or to make prudent trading of equities to meet market conditions, and any other actions to ensure the investment philosophy and criteria are satisfied.

E. Exceptions

1. Investments which do not clearly meet the investment philosophy and criteria will be brought, by the General Manager, to the attention of the RMLD Board of Commissioners acting as the Trustees of the RMLD Pension Trust, if time permits. If an investment decision is required prior to the next regularly scheduled meeting, the General Manager will consult by phone or in person with the Chairman or Secretary to determine an appropriate course of action.

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BOARD OF COMMISSIONERS

General Manager

Per Board Vote Date
Chairman/Date

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1. PURPOSE

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- A. To establish the role of the RMLD Board and Commissioners.
- B. To establish administrative controls for certain Commissioner activities.
- C. This policy may not be changed unless it is advertised in the local newspapers in the four-town service territory once a week for two consecutive weeks. These newspapers are Reading Daily Times Chronicle, The Wilmington Town Crier, The North Reading Transcript and The Lynnfield Villager. The notice of this change will also be posted in the Town Halls in the four-town service territory. Any changes that involve grammar or minor content needed for clarification need not be advertised.

2. GOVERNING LAWS

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M.G.L., Chapter 164 and other applicable federal and state statutes and regulations.

3. RESPONSIBILITIES

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- A. Board Chairman and Vice Chairman:
 - 1. Chairman is responsible for calling regular, emergency, and Executive Session meetings of the RMLD Board as needed.
 - 2. Chairman presides over RMLD Board meetings, approves the agenda and recognizes all speakers, including other Commissioners.
 - 3. Chairman nominates Board members to represent the Commission at appropriate functions, events and meetings. Final decision is by a majority of the Board members. A majority of the Board is at least three of the five members.
 - 4. Chairman nominates Board members to Board Committees. Final appointment is by a majority vote of the Board members.
 - 5. If the Chairman is unable to attend a Board meeting, then the Vice Chairman will serve as the Chairman of the Board Meeting. If the Chairman and Vice Chairman are unable to attend a Board meeting, then the Secretary of the Board will assume the duties of the Chairman and will appoint a Commissioner to serve as Secretary for that meeting.
 - 6. The Board will not address a new issue past 10:45 PM and ends all Board meetings by 11:15 PM.
- B. Board Secretary:
 - 1. Final review of Board minutes.
 - 2. Certifies, as required by law, votes of the Board.
 - 3. Signs, upon direction of a majority of the Board members, power supply contracts and legal settlements on behalf of the Board. Alternatively, the General Manager or any Commissioner may be authorized by a majority vote of the Board to perform this function.

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3. RESPONSILITIES (Continued)

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C. Commission as a whole, by majority vote:

1. Responsible for approving overall goals, objectives and policy setting for the Department to be discharged by the General Manager within the constraints of M.G.L., Chapter 164 and other applicable federal and state statutes and regulations.

The Commission is elected by the voters of the Town of Reading, accountable to the Town of Reading and responsible to the ratepayers of the entire RMLD service area.

2. Selects the General Manager and establishes the rate and manner of compensation.

The General Manager serves as the equivalent of the Chief Executive Officer and the Chief Operating Officer for the Board with the ultimate authority and responsibility for the operation and the management of the RMLD, under the direction and control of the Commissioners and subject to M.G.L., Chapter 164.

Before the end of the General Manager's contract year, the Board will give the General Manager a written performance appraisal based on the General Manager's performance during the previous fiscal year and adjust the General Manager's salary based on that appraisal. During this process, the Board will set the General Manager's goals and expectations, in writing, for the next fiscal year, upon which the General Manager will be evaluated.

Except for actions contrary to decisions or written policies made by the Board as a whole, the General Manager is authorized to take whatever actions are required to operate and manage the utility.

The General Manager is the only designated representative for the Board regarding collective bargaining negotiations. The General Manager may utilize other RMLD management personnel as needed to carry out these responsibilities.

3. The Accounting/Business Manager is appointed by the Board.
4. The Board will appoint counsel.
5. The Commissioners will meet quarterly with the Accounting Manager to discuss the quarterly budget variances report on the Operating Budget. This meeting will be held during a Board meeting in Open Session. If any issues to be discussed are being considered in Executive Session, then the discussion will proceed during the next Executive Session.

The Accounting/Business Manager will also meet with a member of the RMLD's Audit Committee and the Town Accountant quarterly to discuss the RMLD's financial issues. These meetings may be held more frequently if the RMLD Accounting/Business Manager believes that necessary.

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Also on a quarterly basis, coinciding with the Accounting/Business Manager's presentation in Open Session to the Commissioners, the General Manager will give an update on the expenditures on Outside Services, which includes the legal, engineering, audit, and other consulting services. The General Manager is required to give the Commissioners a full report on the expenditures for each of the outside services including the dollars expended, cost to complete, and a projected end date. If any legal issues are being considered in Executive Session then the explanation of that legal issue will be given in closed session.

When the Accounting/Business Manager questions a payment on an invoice, the Accounting/Business Manager shall bring his concerns to the Commissioners for discussion and resolution at the next available Board meeting. The issue will be discussed in Open Session unless there is a need to go into Executive Session (i.e., invoices concerning legal matters, etc.).

3. RESPONSIBILITIES (Continued)

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6. Serves as an appeal body for ratepayers on matters arising from the RMLD's operations.
7. The RMLD Board will appoint one Commissioner to serve on the Town of Reading Audit Committee. Reappointment of this position will be done annually and coincide with the Board restructuring, which occurs at the first meeting after the annual Town of Reading election. The Commissioner on the Town of Reading's Audit Committee will ensure that the selected auditing firm is qualified to perform a financial audit of a municipal electric utility. The RMLD Board of Commissioners accepts the audited financial statements and management letter and shall require the General Manager to submit a written action report on any item commented on by the auditor's Management Letter.
8. Annually selects Commissioners to serve as Board Chairman, Vice Chairman and Secretary. The Chairman, Vice Chairman, and Secretary will be elected by a majority vote of the Board. A special restructuring of the Board may be held with a vote of four members.
9. Approves, after allowing a 30-day period for input from the Citizen's Advisory Board, as provided for in the Twenty-Year Agreement, on the following topics:
 - a. Annual Capital and Operating Budgets - Upon approval of an annual operating budget, the RMLB will make a presentation to the Reading Finance Committee and Reading Town meeting. Upon request, the RMLB shall make a presentation of the annual operating budget to the Finance Committee and/or Town Meeting of any of the other towns serviced by the RMLD.
 - b. Significant Expansion or Retirement of the RMLD's Transmission, Distribution, General Plant, or Generation;
 - c. Power Contracts and Agreements and their Mix;
 - d. Cost-of-Service and Rate Making Practices and;
 - e. Other issues that may come before the Board.
10. Approves:
 - a. The annual report (including audited financial statements) of the RMLD.
 - b. All correspondence on RMLD letterhead that is written by any Commissioner to other elected Boards, Committees or ratepayers.
 - c. All collective bargaining agreements. Also establishes the goals and objectives for the General Manager to meet in bargaining new or amended collective bargaining agreements.
 - d. All presentations made by the RMLD to other elected Boards or Committees.
 - e. Settlement of litigation.
 - f. The appointment of Commissioners to Board Committees.
 - g. Electric rates.
11. Approves, in conjunction with the General Manager, the payroll and weekly accounts payable warrants.
12. Commissioners may attend (consistent with approved RMLD budgets) meetings, conferences, training sessions and similar functions as appropriate for enhancing policy-making skills. Attendance at APPA's national conferences and NEPPA's annual conference and annual business meetings are presumed to be appropriate.

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3. RESPONSIBILITIES (Continued)

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- 12. Attendance of similar functions sponsored by the Town of Reading or the Commonwealth of Massachusetts for elected officials are also presumed to be appropriate.

Attendance for all other meetings, conferences, training sessions and similar functions shall be administered in the same manner as for RMLD management employees, as outlined in Policy 5, Employee, RMLD Board of Commissioners, Citizens' Advisory Board Overnight/Day Travel Policy. In the event a Commissioner disagrees with the resultant decision(s), he/she may request the Board as a whole, by a majority vote, to approve attendance (subject to any conditions deemed appropriate by the Board). Any Commissioner attending meetings, conferences, training sessions and similar functions as appropriate for enhancing policy-making skills are required to make a full report at the next available Commissioner's meeting.

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It is the policy of the Board that no Commissioner will have a personal or economic interest or benefit, directly or indirectly, from attendance in meetings, conferences, training sessions and similar functions. Further, it is the responsibility of each Commissioner to make a full public disclosure of any personal interest or benefit in advance.

- D. Commissioners serve as Trustees of the RMLD Pension Trust with all rights and obligations conferred upon them by the Trust, as amended by the Trust from time to time. Commission, as a whole and by majority vote, as Pension Trustees:

- 1. Acknowledges that the Town of Reading Audit Committee will select the firm that performs the annual financial audit of the RMLD Pension Trust. The RMLD Board of Commissioners accepts the audited financial statements based on the recommendation of the RMLD's Audit Committee.
- 2. Selects the firm that performs actuarial study of the RMLD Pension Trust.
- 3. Selects all professional services associated with the Pension Trust other than the annual audit.
- 4. Performs any other responsibilities as specified in RMLD Policy #22, Pension Trust Investments.

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- E. Commissioners serve as Trustees of the RMLD OPEB Fund Trust with all rights and obligations conferred upon them by the Trust Fund.

- 1. Selects the firm that performs the actuarial study of the OPEB Trust Fund.
- 2. Selects all professional services associated with the Other Post Employment Benefits Trust Fund.
- 3. Performs any other responsibilities as specified in RMLD Policy #8, Other Post Employment Benefits Trust Fund.

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- E. Board Committees:

- 1. Serve as a mechanism for the Board to review and consider specific issues. Committees can recommend, but not approve unless specifically delegated, a course of action to the Board.

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RMLD Board of Commissioners Committees

Responsibilities

General Manager Committee

Review GM evaluation process.

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Audit (Including Town of Reading Audit)

Recommend audit findings to the Board. One member of Audit Committee meets at least quarterly with the Accounting Manager on RMLD financial issues.

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Town of Reading Audit Committee - Sit on the Town of Reading Audit Subcommittee. Select the firm that performs

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annual financial audit of RMLD pension trust and triennially reviews OPEB trust fund.

Power Contracts, Rate Setting,
Green Power

Recommend power contracts to Board.
Recommend rate changes to the Board.

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Operating and Capital Budget/Pension/Legal Services

Working group that looks at green power
Recommend Operating and Capital Budgets to Board.
Recommend actuaries and actuary findings to the Board.
Make recommendation to the RMLD Board for legal counsel.

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RMLD Board of Commissioners, Committees

Responsibilities

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Payables
Account Payables

Review and approve payables on a weekly basis. This position is rotational. It requires three primary signers and one back up. No Commissioner may serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.

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Payroll

Review and approve payroll. This position is rotational. It requires primary signer and one back up. No Commissioner may serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.

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Joint Committee – Payment to the Town of Reading
Two Citizens' Advisory Board Members
One Reading Selectmen

Recommend payment to the Town.

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Policy Committee

Recommend changes of Board policies to RMLB.

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4. POLICY ELEMENTS

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A. It is the policy of the RMLD Board:

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1. To operate in accordance with the spirit, as well as the letter of all laws affecting its business and its employees.
2. All Commissioners and employees are required to act with the highest level of integrity, business ethics and objectivity in any RMLD transaction or where a Commissioner or employee represents the Board or the RMLD. No Commissioner or employee is allowed to misuse the authority or influence of his or her RMLD position.
3. To operate in a businesslike and efficient manner in all aspects of operating and managing the RMLD.
4. To be supportive of a good working relationship between Management and Unions as detailed in the Labor Relations Objective section of the Labor Relations Guide for Managers; to initiate communication and interaction with respect to RMLD business with all RMLD employees only through the General Manager; to provide union employees separate access to the Board as constrained within the collective bargaining agreements.
5. To hold regular open and public meetings to allow ratepayers to provide direct input on any open session matter before the Board.
6. To affirmatively and courteously respond to all requests for public information, subject to the constraints of Policy 12, Board Document Dissemination and the Massachusetts Public Records Law. All requests will be arranged through the General Manager.
7. Not to contribute, in any form, to civic, charitable, benevolent or other similar

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organizations.

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8. To maintain "cost of service" electricity rates; to manage the RMLD with the goal that its residential rates are lower than any investor owned electric utility in Massachusetts and lower than any electric utility whose service area is contiguous with the RMLD's.
9. To utilize technology, training, personnel, and flexible work and administrative processes to maintain a competitive and municipally owned electric utility serving the best interests of all ratepayers, to direct and manage the RMLD in the best interests of the RMLD, the Town of Reading, and its ratepayers.