

**READING MUNICIPAL
LIGHT DEPARTMENT**

**BOARD
OF
COMMISSIONERS**

REGULAR SESSION

JUNE 26, 2013



READING MUNICIPAL LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING

230 Ash Street
Reading, MA 01867
June 26, 2013
7:30 p.m.

1. Call Meeting to Order
2. Opening Remarks
3. Introductions
4. Public Comment
5. Approval of Board Minutes (Tab A)
April 10, 2013 – Reorganization and April 10, 2013 – Joint Meeting with CAB
April 24, 2013
May 22, 2013 ACTION ITEMS
6. Report of Board Committee ACTION ITEM
 - a. General Manager Contract Negotiation Committee – Chairman Stempeck
Suggested Motion:
Move to approve the General Manager’s Contract as presented based on the recommendation of the General Manager Contract Negotiation Committee.
7. Report of the Chairman (Tab B) ACTION ITEMS
 - a. RMLD Board of Commissioners Committee and Assignments
Note: This is on the Agenda to schedule Account Payable Assignments August to May.
 - b. NEPPA Conference Attendance – RMLD General Manager
Note: The RMLD Board approves overnight travel for the General Manager.
8. General Manager’s Report – Mr. Sullivan – Interim General Manager
 - a. Independent System Operator Demand Response - Update
 - b. Middleton Overpayment - Update
9. Power Supply Report – May 2013 – Mr. Seldon (Tab C)
10. Engineering and Operations Report – May 2013 – Mr. Sullivan (Tab D)
11. Financial Report – May 2013 – Mr. Fournier (Tab E)
12. General Discussion

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, June 2013

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Wednesday, August 14, 2013

Wednesday, September 25, 2013

Citizens' Advisory Board Meeting
August 21, 2013 – 6:30 pm (Tentative)

Fiscal Year 2015 Budget Meetings
April 2, 2014 – Lynnfield – April 9, 2014

13. Executive Session

ACTION ITEM

Suggested Motion:

Move that the Board go into Executive Session to approve the Executive Session meeting minutes of April 24, 2013 and return to Regular Session for the sole purpose of adjournment.

14. Adjournment

ACTION ITEM

Suggested Motion:

Move to adjourn the Regular Session.

REGULAR SESSION MEETING
MINUTES
BOARD REFERENCE TAB A



Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
April 10, 2013

Start Time of Regular Session: 6:54 p.m.
End Time of Regular Session: 7:09 p.m.

Commissioners:

John Stempeck, Chairman Philip B. Pacino, Vice Chair
Robert Soli, Commissioner David Talbot, Secretary

Staff:

Kevin Sullivan, Interim General Manager Beth Ellen Antonio, Human Resources Manager
Nick D'Alleva, Technical Services Manager Jeanne Foti, Executive Assistant
Tom O'Connor, General Line Foreman Jane Parenteau, Energy Services Manager
David Polson, Facilities Manager Peter Price, Chief Engineer
Kathleen Rybak, E&O Operational Assistant Mark Uvanni, MIS Manager

Citizens' Advisory Board:

John Norton, Chairman George Hooper, Vice Chairman
Thomas Ollila, Secretary - Absent Tony Capobianco, Member
Dave Nelson, Member

Public:

Fred Van Magness, Marsie West, David Mancuso

Call Meeting to Order

Chairman Pacino called the meeting to order.

RMLD Board Reorganization (Attachment 1)

Chairman

Chairman Pacino stated that he would like to continue as Chair for another year. He has served one year and would like to continue to serve for another year. Chairman Pacino said that he would accept nominations for this year.

Mr. Soli made a motion to nominate Mr. Stempeck as Chairman; this was seconded by Mr. Talbot.

Mr. Pacino said that he is sorry that the Board had no confidence in him for going on for another year.

Mr. Stempeck made a motion seconded by Mr. Soli to close the nominations.

Motion carried 3:1:0. Mr. Pacino voted against this motion.

Motion carried 3:1:0 for Mr. Stempeck as Chairman of the Board. Mr. Pacino voted against this motion.

Vice Chair

Mr. Talbot made a motion seconded by Mr. Soli to nominate Mr. Pacino as Vice Chair.

Mr. Soli made a motion seconded by Chairman Stempeck that nominations be closed.

Motion carried 4:0:0.

Motion carried 4:0:0 for Mr. Pacino as Vice Chair of the Board.

Secretary

This will be performed monthly on a rotating basis by commission members.

RMLD Board of Commissioners Committees and Assignments

Audit (Including Town of Reading Audit)

Philip Pacino, Robert Soli

General Manager Search Committee

Not To Exceed One Year

John Stempeck, Chair; Philip Pacino

RMLD Board of Commissioners Committees and Assignments

Public Relations Committee

Not To Exceed One Year

John Stempeck, David Talbot

Assignments

Accounts Payable

David Talbot – April

John Stempeck – May

Philip Pacino – June

Robert Soli – July

Assignments

Payroll – Four Month Rotation

Philip Pacino, April – July

David Talbot, August – November

Robert Soli, December – March

John Stempeck, April – July

Mr. Soli stated that there was a lack of some committees. Mr. Soli made a motion to accept the committee assignments and reinstitute the Budget Committee, General Manager Committee, Power & Rate Committee with assignments to be made at the next Board meeting.

Mr. Talbot asked what the rationale is on the committees. Mr. Soli explained that in the past the committee process was quite successful, and were also attended by CAB members. Mr. Soli then described the Budget Committee, General Manager Committee, Power & Rate Committee and their responsibilities. Mr. Pacino suggested waiting until the next RMLD Board meeting in order to give the additional committees some thought. Mr. Soli and Mr. Talbot were in agreement with this. Mr. Pacino suggested having the committee information provided to the commission members. Ms. Foti said that the committees are found in RMLD Policy 19 which she will provide to the Board.

Mr. Soli made a motion seconded by Mr. Talbot to accept the RMLD Board of Commissioners Committees and Assignments.

Motion carried 4:0:0.

RMLD Board Meetings

Wednesday, April 24, 2013, RMLD Spurr/AV Room, 7:30 p.m. – Regularly Scheduled Meeting

Wednesday, May 29, 2013, RMLD Spurr/AV Room, 7:30 p.m. – Regularly Scheduled Meeting

Adjournment

At 7:09 p.m. Mr. Soli made a motion seconded by Mr. Pacino to adjourn the Regular Session.

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

David Talbot, Secretary
RMLD Board of Commissioners

Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
April 10, 2013

Start Time of Regular Session: 7:14 p.m.
End Time of Regular Session: 9:50 p.m.

Commissioners:

John Stempeck, Chairman	Philip B. Pacino, Vice Chair
Robert Soli, Commissioner	David Talbot, Secretary

Staff:

Kevin Sullivan, Interim General Manager	Beth Ellen Antonio, Human Resources Manager
Nick D'Alleva, Technical Services Manager	Jeanne Foti, Executive Assistant
Tom O'Connor, General Line Foreman	Jane Parenteau, Energy Services Manager
David Polson, Facilities Manager	Peter Price, Chief Engineer
Kathleen Rybak, E&O Operational Assistant	Mark Uvanni, MIS Manager

Citizens' Advisory Board:

John Norton, Chairman	George Hooper, Vice Chairman
Thomas Ollila, Secretary – Absent	Tony Capobianco, Member
Dave Nelson, Member	

Public:

Peter Hechenbleikner, Town of Reading, Town Manager, David Mancuso, Mike Prisco, Fred Van Magness, Marsie West

Call Meeting to Order – Fiscal Year 2014 (FY14) Capital Budget – Joint Meeting with RMLD Citizens' Advisory Board
Chairman Norton called the meeting of the Citizens' Advisory Board to order at 7:11 p.m.

Fiscal Year 2014 (FY14) Capital Budget – Mr. Sullivan

Mr. Sullivan gave a brief overview of the proposed FY2014 Capital Budget which is at \$5.9 million, approximately 7% below the FY2013 Capital Budget of \$6.4 million. Mr. Sullivan introduced four managers who are not very familiar to the Board; Mr. Mark Uvanni, MIS Manager; Mr. Peter Price, Chief Engineer; Mr. Tom O'Connor, General Line Foreman; and Mr. Nick D'Alleva, Technical Services Station Manager. These managers presented much of what is included in the Capital Budget.

Ms. Foti noted that the Board of Commissioners meeting had not been called to order.

Mr. Van Magness pointed out that at the earlier meeting there was not an opportunity for public comment and asked if there would be an opportunity for public comment at this meeting.

Chairman Stempeck called the meeting of the RMLD Board of Commissioners to order at 7:14 pm.

Chairman Norton stated, by way of explanation, that the CAB will conduct its second half of the budget review (the Capital Budget) tonight. At the conclusion of that review, there will be a motion made to be passed onto the Light Board of Commissions for the bottom line, if that is agreed upon by the CAB. At that point, the CAB will conclude their portion of the meeting of which there will be no public input. It will be turned back over the Board of Light Commissions for their Agenda. Chairman Norton asked Mr. Sullivan to begin.

Mr. Talbot asked why we would not have public input. Chairman Norton stated that not during budget discussions, we do not have public input. Mr. Van Magness noted that his comment was not relevant to the CAB it was relative to the Municipal Light Board. He stated that he had served on the CAB and doesn't ever recall having a public meeting where public comment was specifically excluded, if there was any. He further stated that it certainly takes away the reason for having a public meeting, but that is obviously the will of the Chair. Chairman Norton asked Mr. Sullivan to begin the presentation. Mr. Sullivan introduced Mr. Mark Uvanni to present Project 27 (Hardware Upgrades) and Project 28 (Software Upgrades).

Fiscal Year 2014 (FY14) Capital Budget – Mr. Sullivan

Mr. Uvanni reported that the MIS areas are pretty standard each year to accommodate necessary upgrades to hardware and software systems. Beginning with Project 27, Item 27a) is about the same amount each year and includes, but is not limited to upgrades and/or replacements for monitors, printers, etc. Item 27b) creates an additional virtualized cluster at the North Reading substation for redundancy, load balancing and disaster recovery. This will literally be a duplicate of the Ash Street cluster, which has worked well. Item 27c) is to replace the current digital phone system.

Mr. Talbot asked about the security protections in place. Mr. Uvanni provided a brief overview of the security measures in place.

Mr. Talbot asked about the procurement process. Mr. Sullivan responded that we go out to bid for purchases \$25,000-\$100,000 as per M.G.L. Chapter 30B.

Mr. Uvanni moved onto Project 28: Software and Licensing. Some of these items are directly related to the hardware projects. Item 28a) is for routine software purchases and user licenses. 28b) is in conjunction with item B on the hardware side. 28c) is for development work that we cannot do and which is contracted out to local developers. Item 28d) is a product that allows the cluster replication to take place. 28e) is the licensing fee for some antivirus and malware.

Chairman Norton asked if there were any questions.

Mr. Capobianco asked if we were going to deploy Windows 8 workstations. Mr. Uvanni replied that we have done some. However, it is a huge learning curve for users.

Mr. Soli asked if Item 28d) was new. Mr. Uvanni answered that this is the license for the new (second) cluster.

Mr. Soli asked about 28c). He had thought GIS was done. Mr. Uvanni stated that it is an ongoing process. We are trying to build the base map which would be the jumping off point for all other systems. We do have a GIS administrator who has made huge inroads on getting the base map and the electrical connectivity model built. Mr. Uvanni noted that this is a lot of work, but that we are going in the right direction.

Mr. Sullivan introduced Mr. Peter Price and Mr. Tom O'Connor to present System Upgrade Projects.

Mr. Price reviewed Project 1: 5W9 Reconductoring-Wildwood Street, Wilmington. This circuit has seen a lot of load growth and approximately a megawatt of additional load is anticipated over the next fiscal year with the addition of a Target and a mini-mall in that area. Mr. Hooper asked if this will double the current carrying capability into that area. Mr. Price answered, yes, on that circuit. Mr. Hooper noted that this is one of Wilmington's industrial areas and feels this upgrade makes perfect sense considering the growth in that area. Chairman Stempeck asked if it should be even higher than what we are projecting; will we need to go back there because of the growth? Mr. Price responded that we can only max out the circuits to 15 megawatts and this will bring that circuit up to 15 megawatts. If there are additional needs, we will need to bring in another circuit. We do have two other circuits up there, so there are things that we can do if we have to add a circuit.

Mr. Talbot noted that he had forwarded a memo (referencing this project). Mr. Talbot questioned if there is a strategy, when we know we are at a limit with a particular circuit, for how demand response in that particular area could be deployed to relieve what's happening. Mr. Talbot commented that when he raised the issue, he was not aware that there was a Target and mini-mall going into that area, which changes the thinking. However, as a philosophy, has that ever happened; we see something cresting or peaking, and consider demand response or other programs in that particular area. Mr. Sullivan noted that it is not something that we have considered, but it may bode consideration in the future.

Mr. O'Connor presented Project 2: 4W4 Reconductoring – Wilmington. This feeder is approximately 40 years old. The upgrade will double the capacity that is there now and the materials will be more storm hardened and resistant to weather. It also gives us options if we need to move load in the summer. Mr. Hooper noted this is also a commercial area, and asked if this is proactive in terms of the aging areas. Mr. O'Connor confirmed, this is near the end of its life and the upgrade gives us a lot more options if we need to switch load. Every year at this time we look for vulnerability, develop our priority list, and address those areas.

Mr. Soli asked what happens to the old wire. Mr. O'Connor replied that it goes to a scrap dealer for recycling.

Fiscal Year 2014 (FY14) Capital Budget – Mr. Sullivan

Mr. Price presented Project 3: Upgrading of Old Lynnfield Center URDs. This is a carryover for the Trog Hawley area. There is always a carryover in these projects; we start work in May and the work runs through the summer into September (the next fiscal year). Mr. Price went onto Project 4: Upgrading of Old Lynnfield Center URDs (Cook's Farm). This is the last of the three Lynnfield Center URD upgrade projects.

Mr. Price presented Project 5: 4W5 – 4W6 Tie. This project will create a tie to allow more flexibility to move load around in this area. We don't have that capability now which was not required until they started developing the Addison Wesley Property.

Mr. Price presented Item 6: URD Upgrades. In talking with Mr. Sullivan, we decided to create capital projects as a catch-all for URD projects (and Step-down Area Upgrades) rather than having them done under routine construction. This project will address some of the older underground subdivisions which need to be upgraded due to bad transformers, cable failure, or voltage complaints.

Mr. O'Connor presented Item 7: Step-down Area Upgrades. This is similar to the URD upgrades presented by Mr. Price. These are older overhead subdivisions. Some examples include Haverhill Street (Anthony and Peter Roads) area; in Lynnfield, the Essex Street area near Evans Drive; in Reading, the West and South Street areas.

Chairman Stempeck inquired, if by getting rid of the step-down transformers, do we eliminate a point of failure. Mr. Price confirmed; if we lose a step-down area, we could lose power to 300-400 customers.

Mr. Price reported that items 8, 9 and 10 will be presented by Mr. D'Alleva.

Mr. O'Connor presented Project 11: Station 4 Getaway Replacement 4W9. This is an underground getaway which runs out of Station 4. We will replace this underground cable which will increase capacity.

Mr. Soli asked if there is an outage associated with this work. Mr. O'Connor stated no, we switch the circuit to another circuit and then do the work.

Mr. Price presented Project 15: Station 5 – Getaway Replacements 5W9 and 5W10. The getaway is the underground cable coming out of the sub-station. The 5W9 upgrade goes hand-and-hand with Project 1 to get to a 15 megawatt rating. 5W10 is an old direct buried underground circuit; that breaker position is open and that cable has been taken out of service. This project will allow us to create an extra spare breaker position in the 5W10 position and create more flexibility. We already have conduit and a breaker; it is just a matter of pulling in the wire.

Mr. Price presented Project 16: Transformers. This item is budgeted annually to replenish transformer stock.

Chairman Stempeck questioned what the typical life is for a transformer; are there any manufacturers that produce a premium quality transformer that will last longer that you pay a little bit more for, but you get extra life out of them. Mr. Price replied that we have had old transformers that last forever; the only thing wrong with them is that they are rusting. There are new ones and they have lightning strikes that wipe them out.

Mr. Soli noted that three years ago, between Katrina and China, transformer prices skyrocketed; are the prices more reasonable now or are they still high. Mr. Price responded that due to metal (copper) costs and the cost of petroleum, prices are still high, but not as bad as it was then.

Mr. Price presented Project 22: Engineering Analysis Software and Data Conversion, which was approved with the FY13 budget. We got a late start on this project. The vendor is currently working on the data conversion, but this project will carry over into FY14.

Project 26: Communication Equipment. Mr. Price reported that as we connect to our fiber loop for better communications between our devices in the field and our SCADA systems, we will need certain equipment. This is a line item for that purpose.

Chairman Stempeck asked are there any limitations on the fiber optic cable in terms of capacity. Mr. Price answered that we have not run into it with the projects that we have been working on.

Mr. Talbot noted there is a lot of talk about regionalization of procurement; is that done by RMLD. Mr. Sullivan stated that it has been discussed, but in situations like this it would not work. We realize there are synergies out there that would make it more efficient to get together with other municipalities to make purchase in volume.

Fiscal Year 2014 (FY14) Capital Budget – Mr. Sullivan

Mr. Sullivan introduced Mr. Nick D'Alleva, Technical Services Manager.

Mr. D'Alleva reviewed Project 30: Remote Terminal Unit Replacement – Station 3. Mr. D'Alleva noted that we recently had some issues with the SCADA system and we could not get the system back up and running until we found the missing piece of the puzzle that was broken. We realized that it would not work with the existing system.

Chairman Stempeck asked if there are more of these out at the stations that we should get rid of. Mr. D'Alleva responded that Station 4 has just been upgraded. Station 5 is in this year's (FY13) budget and we anticipate having it done. Station 5 is a lot smaller and not as involved as Station 3 or 4. This (Station 3) would be the last.

Mr. Sullivan presented Project 12: Service Installations – Commercial/Industrial. Last year's budgeted amount was \$63,074. We have not seen many upgraded or new services within FY13 due to the economic situation. However, we do need to budget this item in expectation of projects that will come up.

Mr. Sullivan continued with Project 13: Service Installations Residential Customers. Last year's budget was \$207,923. This item has been affected by the economy year over year. As of the beginning of March, we are at about \$160,000-\$170,000 in expenditures.

Mr. Sullivan presented Project 14: Routine Construction. This is the project where we carved out our underground and step-down areas (as reported earlier) to have more specificity. Routine Construction had become a catch-all and many times we end up eclipsing what we have in the budget. We hope that the tact that we have taken will yield the way it should. Last year's budgeted amount for this item was just under a \$1 million.

Moving back to Project 8: Relay Replacement Project – Gaw Station, Mr. D'Alleva reported that this is a partial carryover. We have purchased all the relays, and the carryover is for labor related to the installation, testing and commissioning of the relays on approximately 16 circuits. There may be some incidental material in addition to what has been purchased.

Chairman Stempeck stated that he understands that these are solid state relays replacing electro-mechanical and questioned the reliability of solid state versus electro-mechanical. Mr. D'Alleva stated that they are newer technology. If you are going to replace one for one you are replacing a 30-year old relay with a 30-year old relay. The new relays are in a box, rather than individual relays. They are programmable with a lot more features that you can program into them and a lot more information that you can get out.

Mr. D'Alleva continued with Project 9: Gaw Station 34kv Potential Transformer Replacement. The current transformers are 30 plus years old and are oil filled. The new transformers would be solid dielectric; there would not be any oil in them. There are currently no leaks on these transformers, but they are old.

Mr. Hooper asked if the transformers contain PCBs. Mr. D'Alleva responded that it is unknown; there is no way of sampling them while they are in service. They contain very little oil, maybe two gallons at most. When they are taken down they will be tested prior to disposal.

Project 10: Station 3 – Replacement of Service Cutouts. This is a small equipment upgrade. We have not had any problems with these cutouts, but they are similar construction to the line cutouts that we have issues with in the field. We would like to be pro-active with these.

Mr. D'Alleva continued to Project 17 (A, C and D) related to the meter upgrade project. *Note: 17B will be completed by the end of FY13.* 17A is a line item for meters purchased for stock. Mr. Talbot asked how many TOU meters are currently in use. Mr. Sullivan answered that there are approximately 300 residential meters in place.

Mr. D'Alleva stated that 17C is a partial carryover. We anticipate that the commercial upgrade will not be completed by the end of this fiscal year. We will carry over some of the installations to larger customers that might need outages. 17D is the upgrade of the "500 Club." This is a small number of meters, but they are the large revenue customers. This will be the last of the meter upgrades.

Mr. Soli asked Mr. Sullivan for an explanation of the "500 Club." Mr. Sullivan stated the "500 Club" consists of customers over 500KW, or the larger users of power. There are currently approximately 65 "500 Club" customers.

Fiscal Year 2014 (FY14) Capital Budget – Mr. Sullivan

Mr. Sullivan introduced Mr. David Polson, Facilities Manager. Mr. Polson presented Project 18: Purchase of New Pick-up Trucks. Chairman Stempeck asked if the 4x4 was all-wheel drive. Mr. Polson replied that the vehicles are two-wheel drive with four-wheel over-drive.

Mr. Talbot asked how the vehicles are purchased; is there a State program. Mr. Polson reported we look at the State contract and we go out to competitive bid as well to get the best pricing. Mr. Talbot asked for clarification on the State contract. Mr. Polson replied that the State has a number of dealers with whom they feel they have leveraged the best price; they do recommend though that you look around to confirm that you are getting the best price.

Project 19: Line Department Vehicles. Mr. Polson noted that this item is similar to a carry-over. The process to order and receive these vehicles is in excess of 240 days. We will be presenting to the Board at the end of the month the purchase of these two vehicles, which will be received in FY14. This project ensures that we have funds appropriated for the vehicles when they arrive.

Mr. Talbot noted that it is his understanding that much of the time the diesel engine is running to power the bucket truck equipment. He questioned if we have looked into hybrid bucket trucks. Mr. Polson stated that we have done a very exhaustive search, meeting with different vendors and users of the hybrid vehicles. There are different types of vehicles; some that are higher maintenance, some that are truly hybrid (they recharge the battery system through the engine.) The technology for these vehicles really isn't fully developed; the batteries don't live up to the advertised life and there are issues with the transmissions. These vehicles are more expensive and they really don't live up to expectations.

Mr. Hooper asked about the age of the trucks being replaced, and what we are doing with the vehicles we are replacing. Mr. Polson answered that the vehicles being replaced are approximately 10 years old. These vehicles will move back into the fleet as a spare or used less frequently. If these vehicles are the vehicles with the highest maintenance and are unreliable, we may move them off the fleet and surplus them. Mr. Hooper asked if they had any value that could be used for a trade-in or put out to auction for another community that may be looking for something. Mr. Polson noted that we have not traded vehicles, but we have tried to sell them; depending on the vehicle, we may offer them to one of the towns.

Mr. Polson reviewed Project 20: Build Covered Storage, which is a multi-year project. The building would be 80x120 feet and used for storage as we start to move out of the Barbas building. It would be located on the northerly portion of the lot by the garage and would provide approximately 9,600 square feet of storage space. It would be covered storage with sides, to keep our material out of the weather. Mr. Polson reported that this would cost approximately \$88.50 per square foot to build.

Chairman Stempeck asked if we have looked at alternatives; for inventory storage, this seems like a large number on a square footage basis. Chairman Stempeck noted that if it is for specialized needs and proximity he certainly understands, but stated that he had looked at storage space not nearly as large, but in the \$14-20 per square foot range. Mr. Polson responded that we would keep the materials that we use frequently in this building; we want to make sure we have something on the property so that the trucks can go in and out. Mr. Polson noted that the cost comparison was lease space versus cost to build. Chairman Stempeck noted that amortized over time, it would drop down. Mr. Polson confirmed and added that we would be getting out of leased space.

Mr. Capobianco asked how much equipment is currently lost or degraded because we don't have appropriate storage. Mr. Polson reported that almost everything is under cover either in the garage or the leased space with the exception of some items at Station 3.

Mr. Soli noted that this is the first he has heard of this; when does this go out to bid so that we can hear more about it. Mr. Sullivan responded that this is really an open building with a façade in the front to match the front of the buildings on Ash Street. It has a roofing system that has a beefed up capacity to carry a solar array in the future. We are also trying to make a move to get out of the leased space and the rent we pay. The design on this is planned for Q4. Mr. Soli asked if the Board would get more information on this prior to bid. Mr. Sullivan said, yes. This is a multi-year project. The expectation is that we would move out of the Barbas building FY16 (July 1, 2015).

Mr. Polson reviewed Project 21: HVAC system Upgrade (Multi-year Project). Mr. Polson noted that there was concern raised about the replacement of these items. This project is tied into making the building more energy efficient. There are some changes in technology and some things that we can do to improve efficiency. An energy audit will be done by Energy NE (there was one done in 2007). The building's control system needs to be updated and replaced; lighting changes, water conservation, insulation, and other work also needs to be done.

Fiscal Year 2014 (FY14) Capital Budget – Mr. Sullivan

Mr. Talbot thanked Mr. Polson for the detail and noted that there are three big projects happening on the campus: a garage (with excavation), station one, and the main building. Mr. Talbot wondered if there was a comprehensive overview of how to have the whole campus tied in; since we are doing excavation any way, can we look at a ground source system that would tie all three together. Mr. Talbot noted that it seems like there is an opportunity to do it once, do it deeply, and do it so that we save huge amounts of energy for many decades. Mr. Polson agreed; the plan is to hire an engineering company to come up with a design and make recommendations on what we should do; we can certainly bring that into the design and evaluation. Mr. Polson noted, however, that we should not delay the mechanical system work on these two items in this building. Mr. Polson stated that he has been trying, since beginning at RMLD eight months ago, to get a grasp on all the systems that need improvement and to address energy efficiencies, but the systems are at risk right now. The plan would be to hire a company, come up with design recommendations, and come back to the Board with a plan.

Mr. Talbot stated that that would be great; that by approving this budget we are not setting in motion a plan to put just boilers and chillers out to bid and that gets done in the absence of a larger plan that we have all reviewed. There is a huge opportunity for large energy, cost, and emissions savings over a long period, great public relations for RMLD and to set an example to other companies, customers, and buildings.

Mr. Sullivan noted that we are cognizant that this really needs a comprehensive analysis and that Mr. Polson is going to head that up. Mr. Polson noted his goal would be that over a three year period everything in the building would be addressed, HVAC, lighting, water conservation. We will have a building and a campus that we can be very proud of.

Mr. Talbot stated that this would not go out to bid until we have a larger report and a presentation to the Board. Mr. Polson confirmed.

Mr. Hooper asked what type of fuel is used for the boilers. Mr. Polson replied, gas. Mr. Hooper noted that condensing boilers might be an option to consider. Geo-thermo would be a great option, but where there is an urgency, condensing boilers may be something we want to consider.

Mr. Polson presented Project 23: New Radio System. Mr. Polson noted that the current system is about 20 years old and uses old technology. We are currently evaluating a digital system that we have had good luck with so far. We are looking at leasing a radio system; we would buy the equipment the first year and after that it would be substantially less (we would pay just a leasing fee thereafter).

Mr. Talbot asked if this goes out to bid. Mr. Polson responded that this company is on the State bidder's list, and that there are limited vendors that provide this service. We would be able to leverage the State pricing.

Chairman Stempeck asked if the system communicates with fire and police. Mr. Polson was not aware of that capability; it depends if we are tied to the same network. Mr. Hooper asked if we utilize cell phones or direct connect. Mr. Polson said that we do use Sprint with direct connect. This new radio system has multiple channels where people can talk in group talk and there are individual frequencies, or they can use direct connect; the system offers a lot of flexibility. Mr. Hooper noted that he uses direct connect to communicate with staff and just wondered if this is something that is needed or is it going to be outdated over time.

Mr. Polson presented Project 24: Repairs – 226 Ash Street, Station One. There has been an architectural evaluation performed and they recommend that, in order to maintain the building from further deterioration, we should repair the roof as well as the exterior masonry, and windows. We can then determine the best use of the building and the cost associated with that. This budget item is a multiyear project to start the exterior work. In FY14 we would start the masonry work and in FY15 we would do some windows and the roof. Over a period of two years, we are looking at \$1.5 million for the exterior work, with additional cost for the interior work.

Mr. Polson clarified the cost structure; the exterior renovation would be \$1.5; the (additional) interior renovation cost would be \$1.1 million if the building were used for storage, or \$2 million if the building was used for occupied space.

Mr. Talbot asked about the process to determine the use of the building. Discussion ensued. Chairman Norton stated, with all due respect, this discussion would be more appropriate for an RMLD Board meeting. Mr. Talbot agreed. Mr. Soli noted that he would be anxious to hear from the CAB members on this issue because it may look too much like we are doing wonderful things for Reading and we're going to make you outside guys pay for it.

Fiscal Year 2014 (FY14) Capital Budget – Mr. Sullivan

Mr. Hooper stated that he thinks preservation of the building exterior before it deteriorates beyond repair is a smart move as it can deteriorate pretty fast. Mr. Hooper questioned the bidding process used for anything over \$100,000; do we go DCAMM certification. Mr. Polson replied that we do.

Mr. Hooper further stated that if you are using the building for storage that's one thing, but if we are planning to lease it out as office space that is something totally different. Mr. Hooper stated that he can understand the need for storage

Mr. Nelson stated the preservation of old buildings is a great thing and if the Town of Reading wants to preserve the building that is something they should really consider. What you do with the building; if it is going to be used for storage space or public presentations and public learning remains to be seen. The focus is, do the right thing for Reading because it is in Reading and it is a possibility that it is good overall.

Mr. Capobianco questioned the cost of removing the building and putting up a new structure; is that significantly more expensive than renovating an older building. Mr. Polson did not have that information. He did not know if that had been evaluated.

Chairman Norton noted that Mr. Soli's point was well taken, but that it would be better if at the next CAB meeting the CAB has a presentation from Mr. Polson and a discussion of this issue. The CAB can then make a recommendation to the Board of Commissioners. Mr. Soli said that they would appreciate the CAB input. Chairman Norton stated that he believes the building is on the National Register of Historic Places so it could not be demolished.

This concluded Mr. Polson's presentation.

Chairman Norton asked for a motion on the Capital Budget.

Mr. Hooper made a motion that the Citizens' Advisory Board recommend to the RMLD Board of the Commissioners Draft One of the FY14 Capital Budget dated March 29, 2013, in the amount of \$5,952,008, as presented. Any significant changes are to be submitted to the CAB for review and recommendation. Motion was seconded by Mr. Nelson. Hearing no further discussion, **Motion carried 4:0:1 (4 in favor; 0 opposed; 1 absent).**

Scheduling of May Meeting – J. Norton, Chairman

After discussion the CAB members agreed to meet on May 15, 2013, at 6:30 pm, at the RMLD.

Motion to Adjourn – J. Norton, Chairman

Motion to Adjourn the Citizens' Advisory Board meeting was made by Mr. Hooper, seconded by Mr. Nelson. Hearing no further discussion, **Motion carried 4:0:1 (4 in favor; 0 opposed; 1 absent).**

The Citizens' Advisory Board Meeting adjourned at 8:41 p.m.

Chairman Stempeck said that the Board will return to its Regular Session to discuss two items that are on the agenda.

Mr. Soli left at this point in the meeting.

Discussion of Middleton Overpayment – Mr. Sullivan

Mr. Sullivan reported that he has been in discussion with Middleton Municipal Electric Department, General Manager, on an overpayment to Middleton that the RMLD has been incurring since July 2007. The invoices received were for the supply of power to two homes on the border of Middleton and North Reading. The power being supplied to these two homes is being fed by Middleton. The amount owed to the RMLD is in excess of \$330,000. Middleton is proposing to pay \$130,000 within this year to clear up 2012. Middleton would like to have a payment plan for the remaining balance.

Mr. Van Magness said that he assumed that these invoices have been approved by the Board during their usual reviews. Were there any questions in the last five years about these invoices in terms of relevancy? Mr. Sullivan responded, no. Mr. Sullivan pointed out that the Board would not know who was being served on the invoices. Mr. Van Magness said that the Board approves invoices, and the payables, therefore, the Board has been paying these bills. Mr. Van Magness added that this is quite interesting because it is similar to the issue of \$1 million that the Board had been approving.

Discussion of Middleton Overpayment – Mr. Sullivan

Mr. Van Magness stated that of the \$1 million the RMLD is out \$800,000, which was approved by the review of the invoices that the Board had been making monthly and annually. This is coupled with another \$300,000 being approved by the Board with Middleton, which has been exponentially increasing.

Mr. Van Magness questioned the Chairman of the Board, on what processes will the Board put in place to preclude these overpayment situations from happening in the future. Chairman Stempeck replied that there are two processes that they are assured as a Board. First, is the internal operation the RMLD walks through all the invoices before the Board sees them. Second, there are multiple reviews because the invoices are seen by numerous people. The Board trusts the internal people to do the right job.

Mr. Sullivan stated that he does have a solution. Mr. Van Magness said that he understands, it is honorable that Middleton is coming forward and working on a payment plan. Mr. Van Magness stated that he is concerned that there is a fundamental breakdown in the accounts payable process within the Department. There have been two instances that have happened, and he understands new systems coming in, but it should be a warning sign for the people reviewing these invoices. Mr. Van Magness said that what he is interested in is what specific actions the Board is going to take to ensure that these types of situations do not happen again. The Department is out over a \$1 million, which has been funded at the ratepayers' expense.

Chairman Stempeck said that he is in agreement that there is some breakdown in the system. Chairman Stempeck stated that it will take time to rectify the situation by performing a root cause analysis. This will entail what the problem is, and how this happened it will be addressed. Mr. Sullivan stated that the RMLD had radial transmission lines fed from NSTAR to Station 4. Those lines, in 2002, became loop conductor lines, and are entitled as Pool Transmission Facilities. The RMLD continued to pay as if they were radial lines, which were not picked up by Energy Services or whoever else was part of the validation process. This continued for nine years. It was noticed in 2011 that this overpayment had been occurring. Discussion ensued with NSTAR. Within NSTAR's contract, it indicated that the RMLD would get paid for eighteen months. Retrospectively speaking there was a loss there.

Mr. Van Magness said that as part of the root cause analysis, that is going to take place, it would fundamentally seem that these routine payments that happen every single month or quarterly should get a periodic review. This would ensure the validity of those payments whether it be by the Board member approving the payables or the Department people approving them on your behalf. That type of review should be systemic, and engrained in the process. Chairman Stempeck agreed that it needs to be addressed.

Chairman Stempeck said that there are no excuses when things slip through the system. Everyone makes mistakes and tries to do better tomorrow. Mr. Van Magness said that he is not trying to play Monday morning quarterback; this is the second time this has happened. It says something that needs attention drawn to this. Mr. Sullivan said that one of the first things that he will do is have the RMLD's auditors, Melanson Heath, provide an audit as to this process. Chairman Stempeck said that he thought that was a great idea.

Discussion of General Manager Rotation

Mr. Pacino said that he had put this agenda item on when he was Chair. He has some concerns that need to be raised about the rotation of the Interim General Manager. Mr. Pacino said that this has not been fully defined as to what the rotation is going to be, how it is going to work, and the time period. The discussion at one of the previous meetings was for fifteen minutes. Mr. Pacino has concerns how this will work going forward. Mr. Pacino said that the effective date is as of April 16, and is requesting delay at this point. He would like to defer this until the meeting at the end of April. This will allow for full discussion on how it is going to work because it has not been thought out completely. This has affected the search process adversely by this action. There is a need to hold off until the April 16 date and have a full discussion because there are different members. It is too bad that Mr. Soli did not stay for this that is his feeling.

Chairman Stempeck said that as long as they are discussing feelings, it is his sense he does not agree with Mr. Pacino's opposition. Chairman Stempeck pointed out that they spoke about different methodologies to handle the Interim General Manager position. Chairman Stempeck said that the minutes of the meetings reflect that it had been discussed.

Chairman Stempeck commented that there are enough issues to go around for everyone, including the former General Manager, in terms of grooming the right individual to step into that post. Chairman Stempeck said that this is what exactly happens when you are searching for an individual that you want to come in at a very senior level within an organization. It can take up to a year or longer to get the right individual, especially in the northeast with high housing costs. The process has not been compromised whatsoever. There are good people within the RMLD; it could serve as a good learning role for them. It is a good role in the sense to see what they can do when they are in a position to run the RMLD effectively. Chairman Stempeck said that Mr. Sullivan has done an excellent job so far. To provide rotation so other people can try out that position until they find a General Manager is appropriate. It is very possible that people, certainly within the realm of possibility that can grow into the position.

Discussion of General Manager Rotation

Mr. Hechenbleikner said that he has a letter, addressed to Mr. Pacino because he thought he would be the Chair. Mr. Hechenbleikner said that his letter addresses his concern with the validity of the vote taken by the Light Board on March 27, 2013, related to the Interim General Manager.

Mr. Hechenbleikner stated that on February 20, 2013, three members of the Light Board met and discussed the appointment of an Interim General Manager of the Light Department until such time as a permanent replacement to retired GM Vinnie Cameron can be appointed. Mr. Soli made a motion that "the RMLD Board of Commissioners pursuant to Commonwealth of Massachusetts General Laws Chapter 164, Section 56, appoint the troika of Bob Fournier, Jane Parenteau, and Kevin Sullivan to the position of Interim General Manager."

Mr. Hechenbleikner said that the motion was defeated by a vote of 1:2:0. Then Ms. West made a motion that "the RMLD Board of Commissioners pursuant to Commonwealth of Massachusetts General Laws Chapter 164, Section 56 appoint Kevin Sullivan to the position of Interim General Manager" and that motion was approved on a vote of 3:0:0.

On March 27, 2013, at the end of the meeting, the RMLB entered into discussion about the Interim General Manager position, even though that item was not on the Agenda. With little debate, the RMLB considered a motion by Ms. Snyder that "the RMLD Board of Commissioners pursuant to Commonwealth of Massachusetts General Laws Chapter 164, Section 56 appoint senior staff on a rotating basis to the position of Interim General Manager with Mr. Sullivan and Ms. Parenteau in these roles, and that Ms. Parenteau be appointed for the 3 month period starting April 1 to May 1." The motion was approved by a vote of 3:0:1 (the motion was amended to provide April 15 start date.)

Mr. Hechenbleikner stated that he has two concerns with the process; he said the emphasis is on the process not the results which is completely up to the Light Board. He consulted Town Counsel because there were concerns about the process. He believes that the March 27 motion on this matter was null and void. The motion made on March 27 is virtually the same made on February 20 where the motion failed. Under Roberts Rules of Order, the action on March 27 would be considered a reconsideration. There was no motion to reconsider. A motion to reconsider must be made by someone on the prevailing side of the initial vote (Mr. Pacino or Ms. West) and a motion to reconsider takes a 2/3 vote. There is a parliamentary flaw in taking that action. Even of greater concern, this action is in violation of Section 3-5 of the Reading Home Rule Charter. The third paragraph in Charter, the section that deals with the Reading Municipal Light Department reads that "The Municipal Light Board shall hire the General Manager of the Reading Municipal Light Department and set his compensation; the General Manager shall serve at the pleasure of the Board and may be removed by vote of a majority of the entire Board after notice and hearing." Mr. Hechenbleikner said that it was his emphasis on "after notice and hearing". There was no evidence of any notice or any hearing. The appointment of the Interim General Manager on February 20 was done under the section of the MGL that addresses the appointment of General Managers; there is no separate section for appointment of an Interim General Manager. In effect, on February 20, Mr. Sullivan was appointed as a General Manager. However, the actions on March 27 were to remove him, and you can only remove him by notice or by hearing. Mr. Hechenbleikner again stressed that his concern is not the end result, but is the process that is used. Mr. Hechenbleikner is asking that the RMLD Board acknowledge that their decision on March 27 is not legal and the action be declared void by the Board. If you choose to rotate the Interim General Manager position, he requests that they do so after notice of the existing Interim General Manager with a hearing to remove him from that position. Mr. Hechenbleikner is willing to entertain any questions.

Mr. Talbot asked if this was the first the Board has heard and seen the concerns, in writing. Mr. Hechenbleikner responded, yes. Mr. Talbot said that obviously there is a search for a General Manager; what is being discussed is someone to hold the spot. He takes Mr. Hechenbleikner's point, that the distinction is that the language in state law does address the existence of the position of Interim General Manager. However, the spirit of this (although Mr. Talbot was not in office for the March 27 meeting) is bit of a technicality. If you are hinging this on the fact that there is no language for the Interim General Manager defined in the law, that therefore, another lawyer may disagree with you and say it's fine to appoint an Interim person without that person being regarded as the General Manager. It would therefore, be difficult to void the vote based only on Mr. Hechenbleikner's letter.

Mr. Hechenbleikner said that he is making it very clear that he is not a lawyer. Mr. Talbot stated that the letter is written like a lawyerly letter. Mr. Hechenbleikner said that he has spoken to Town Counsel and the reason the Board did not hear anything before is that he spoke to Town Counsel yesterday. This has been an emerging situation. Town Counsel's opinion is that what the Board has done, which is contained in the letter, is in violation of Reading Home Rule Charter and probably Robert Rules of Order.

Mr. Hechenbleikner stated that it is the Charter that he is most concerned about because in twenty six years he has been administrating, abdicated and protected the Charter. This is a violation of the Reading Home Rule Charter. Town Counsel is not counsel to the Light Board. Mr. Hechenbleikner suggested that the Board should speak with their counsel. Chairman Stempeck said that is exactly what they are going to try to do, check with their own counsel, and review this.

Discussion of General Manager Rotation

Chairman Stempeck said that he would not interpret it the way Town Counsel's attorney has interpreted it. Chairman Stempeck said that there were two very different types of scenarios, in terms of presentation. Chairman Stempeck added that if we examine the minutes of those meetings, one will find that the term used was Interim General Manager in every single discussion. Mr. Hechenbleikner stated that state law, does not provide for an Interim General Manager, it applies to General Manager. The minutes show that the intent was for an Interim General Manager be appointed until a General Manager is in place. Mr. Talbot clarified that the technical spirit of your comments is that there is no General Manager right now.

Mr. Hechenbleikner responded, that is correct. Mr. Hechenbleikner added that the motion that was done was under the article and section that is for an appointment of a General Manager, direct quote out of the motions made by the Light Board. Chairman Stempeck said that they will retain their own counsel to re-examine this; counsel differs all the time. Mr. Norton said that when this discussion is finished he has a comment.

Mr. Hechenbleikner said that it is important that this process should be somewhat expeditious (for removal of the Interim General Manager and replacing him). Chairman Stempeck asked when this was brought to Mr. Hechenbleikner's attention. Mr. Hechenbleikner said that he received a call last Thursday or Friday; in the last five or six days. Chairman Stempeck pointed out that Mr. Sullivan was appointed on February 20; it has been quite a while. Mr. Hechenbleikner stated that was not the precipitating issue. His sole source has been reading through the minutes, reading them with Roberts Rules of Order, the law, and the Town of Reading Home Rule Charter. Mr. Hechenbleikner did not see anything beyond February 20, in terms of appointing the Interim General Manager as to what precipitated the issue. It was the March 27 actions, where you in effect removed the General Manager, and put someone else as General Manager effective April 15. Chairman Stempeck stated that they will retain counsel to test that. A municipal light board is a separate entity from the Town of Reading, so the question becomes what is the effect of the Town putting judgments on the Municipal Light Board when we are trying to follow the letter of the law. We will retain counsel. Mr. Hechenbleikner responded that is a very good question. The RMLD is subject to the Reading Home Rule Charter; that is what establishes the Reading Municipal Light Department and Light Board. In addition to special statute, you are governed by Charter for the Town of Reading. There was a long debate on that issue after the previous General Manager left before Mr. Cameron was appointed. The terms of the Reading Home Rule Charter provisions to the Light Board was discussed. Mr. Hechenbleikner said that his role is that he does not have authority over the Light Board; it operates as an independent department; Town Manager does not have responsibility over the Light Board or Department. Mr. Hechenbleikner's concern is that he is guardian of the Charter. There are parts where he has responsibility. He views the Charter as part of their Constitution. If he sees anything, whether the department is responsible to him or not, he feels he needs to bring it to the attention of those who can deal with it. The Light Board is the body that has to do that. Chairman Stempeck said that it is unfortunate that there will be an additional expense. If they find a General Manager that accepts the position tomorrow, then what was the whole point of the effort? Mr. Talbot asked Mr. Hechenbleikner what he would suggest before getting the lawyers involved and it becomes a long dragged out process. Is there a way out of it this evening, although he is not saying there is a problem? Mr. Hechenbleikner said that he does not want to get into a discussion as to whether the General Manager position should be rotated. The Charter and law do not deal with that which is completely the Light Board's business. The process is what he is most concerned about. Mr. Talbot said that a suggestion would be to extend this to the April 24 meeting, for the opportunity to give notice and be done more properly. Mr. Hechenbleikner pointed out that the Chairman will have your attorney review this because the Charter is silent on this. You can use the Town Manager section which is very detailed, but the Charter is silent in terms of the General Manager position of a Light Department. What would notice and hearing mean? It means that some sort of hearing needs to take place. Chairman Stempeck stated that it is unfortunate that they are at this point in the relationship between the Town Manager and the Reading Municipal Light Board in that it has to generate this type of document. We are all trying to do the right thing in terms of taking Reading forward. We all took the oath to do that.

Mr. Norton stated that to follow up on what Mr. Hechenbleikner mentioned towards the end about possibly holding this decision off until the regular Board meeting at the end of the month. With reference to the March 27 meeting, he called the Secretary of State's office regarding the way the agenda was handled, and the way the vote was taken, and you are in violation of the Open Meeting Law. Mr. Hechenbleikner said that he would take exception to that. He talked with the Attorney General's office to confirm there are two issues on that. Mr. Hechenbleikner explained that he speaks with some expertise where he is a member of the Open Meeting Law Advisory Commission.

Mr. Hechenbleikner said that there are two potential issues. One is that the Open Meeting Law says that the agenda must be posted forty-eight hours in advance, it has to have all the agenda items that the Chairman knows are going to be on agenda. It does not preclude however, new business coming up from a member of the Light Board or from the public. More often, it comes from the public.

Discussion of General Manager Rotation

Mr. Pacino stated that the motion that was read at that meeting was never presented to him in advance of the meeting. Mr. Hechenbleikner said that it is his point, the Chair, who was Mr. Pacino, did not know about this. It is not good practice. However, it is not a violation of the Open Meeting Law on that issue. Mr. Hechenbleikner said that what he does not know is whether the three that voted, or if any members, talked offline about this issue. That could be a violation of the Open Meeting Law. He has not spoken to any of the three and there is a manner for addressing that. If someone wants to allege that, then they can make a complaint to the Attorney General's office, which is investigated. Mr. Hechenbleikner stated that he is not alleging that. The fact it is not on the agenda is not a violation of the Open Meeting Law. Mr. Hechenbleikner said that he did not intend to be adversarial with the Light Board, nor was it his intent to be adversarial. He hopes this is not taken adversarially, but he is a stickler for process, for the laws and charters that govern us.

Chairman Stempeck thanked Mr. Hechenbleikner and will take that under advisement. Because it is so new the Board cannot rule on this; nothing they can do this evening, but take it under advisement. Unfortunately, it comes at a difficult time obviously; it comes back to how the rules of order apply. As he has mentioned at previous meetings, that of any board, the vote of majority shows the will of the majority of the board to try to accomplish the right thing. What he is interpreting is that there are people who did not agree with the vote and are trying to find nuances to rescind the vote. Chairman Stempeck said that there is more effort being put into this than into finding the right person to head up the General Manager position; it is flat out wrong. Mr. Hechenbleikner stated that he wanted to assure Chairman Stempeck that is not his motive. He stressed in the letter that he is not dealing with the issue; he is concerned about the process.

Mr. Talbot said that he is concerned about not taking action this evening. It has been raised that there is an allegation that Mr. Sullivan has been illegally removed from office as of the April date. We leave the meeting this evening, this happens and he has some legal case against us, does it open us up to a lawsuit. Mr. Hechenbleikner stated that he felt this was a violation that could be possible. Mr. Talbot said that he would be in favor of extending to after the next meeting. Mr. Hechenbleikner commented that there is a correct way to do this which is by notice and hearing then that issue is removed as far as the process.

Ms. West stated that she wanted to express her concern on the process which she had expressed last week. She said that Mr. Sullivan was confirmed as the Interim General Manager by the majority of the Board by five votes at its meeting in January. In February, there was a meeting with discussion about a rotating process that was voted down, by 3:0:0 vote. Two members were not present and did not participate in that discussion. On February 27, there was a motion to vote for the rotating process. It is not new business - it was old business, it was the resurrection of something that was already voted down. There proceeded to be no discussion as to why Mr. Sullivan was being removed. It was only discussed because it was a learning opportunity, but no discussion of why someone voted as Interim General Manager was being removed. Chairman Stempeck pointed out that the discussion the month before was to provide a learning opportunity for other individuals besides Mr. Sullivan. Chairman Stempeck said that it is not a reflection on Mr. Sullivan, it is a learning opportunity. Ms. West said that she watched that meeting and there was very little or no discussion at the last meeting. Chairman Stempeck said that he is expressing his opinion because he was at that meeting; Ms. West was not present at that meeting - she responded that she watched it. Chairman Stempeck said that it is in the eye of the beholder in terms of what the discussion was. The minutes can be looked at it is on video as well. Chairman Stempeck said that the point is that we have other issues to deal with. Ms. West said that she finds it distressing that the Board's erratic behavior has impacted the General Manager search. Chairman Stempeck asked Ms. West to explain what she meant relative to the General Manager search. Ms. West explained that one candidate pulled out based on the knowledge after the last meeting. Chairman Stempeck asked if this is new information, he is not aware of this. Chairman Stempeck said that Ms. West was a Board member up until a week ago and did not share it with the Board. Ms. West said that she did not have an opportunity where she could present this.

Mr. Van Magness said that he has a couple of comments. Earlier in the meeting there was discussion from Mr. Pacino. His comment was that actions had already had an impact the General Manager Search. Mr. Van Magness asked Mr. Pacino if that is true.

Mr. Pacino responded that it is true. Mr. Van Magness said that what Ms. West referring to was Mr. Pacino's comment. Mr. Van Magness noted that Chairman Stempeck said that he was not aware of anything. Mr. Van Magness said that maybe some members of the Board are aware of this. Chairman Stempeck responded that the word maybe is conjecture.

Discussion of General Manager Rotation

Chairman Stempeck said that he did not know. If there is information to be had, then it should be shared with the entire Board. If Ms. West or Mr. Pacino had information, not sharing it is very disturbing.

Mr. Van Magness said that he is concerned about some of the comments Mr. Hechenbleikner brought up. He has a concern that Chairman Stempeck had expressed that it was unfortunate that it is late in process. As a ratepayer, the comments he would make is that the entire process has been a total fumble by the entire RMLD Board. The General Manager gave his notice well over six months ago. The responsibility here is on how the process has been handled. The Human Resource Manager came forward and provided an update on where they are in the process with the executive search firm.

Mr. Van Magness said that you have heard all the points the Town Manager has brought up. Mr. Hechenbleikner presented good information to the Board. One of the concerns he has right now is the transition date is April 15. It is five or six days away and the Board is not meeting. You can consult with your counsel - the vote stands. If it is determined in the future, a violation of regulations and Reading Town Charter, a mistake has been made. Mr. Talbot asked how you can fix that.

Mr. Van Magness responded that maybe you should be considering a vote this evening to at least delay the effective date of that decision tonight. You can delay that pending information from your counsel. You do not want to create any more problems. Maybe consider doing that and setting up a date for a meeting next week after obtaining input from counsel. Then you can decide how to carry forward on this thing. You do not want to wait until the end of April and you do not want to muddy up the water any more. It is just a suggestion.

Chairman Stempeck thanked Mr. Van Magness. Chairman Stempeck said that he is in one hundred percent agreement that the process has been fumbled, not once, but multiple times. It started with our former General Manager. Someone should have been groomed at the very beginning because we knew about this a long time ago. The Board should have absolutely put something in place that forced General Manager to groom someone. It did not happen.

Mr. Van Magness said that he appreciates Chairman Stempeck's comments fully. A post mortem should be done for the General Manager search process. Hopefully the Board will do this. In the future, there should be an Assistant General Manager. The town has an Assistant Town Manager by virtue of the search moved up in the Town Manager's position. That process should have been done a long time ago.

Chairman Stempeck wanted to pose a question to Mr. Van Magness, what is most important for RMLD, the purchase of power or distribution of power? Mr. Van Magness replied that he does not think that you can qualify that; they are equally important. Chairman Stempeck agreed that they were equally important and that is equally important for the value of those individuals that perform those functions to see a role for advancement in the organization. Should the former General Manager have groomed individuals for replacement? He completely agrees. All his clients do this; the first tenant of management is to replace yourself. That was a huge failure.

Chairman Stempeck thanked Mr. Van Magness for his suggestions; and will take them under advisement. Chairman Stempeck said that there is another element served this evening that caught them by surprise. It falls within the same plane. It was a surprise such as having an attorney telling us what our rights are, someone coming in and giving us another piece of paper. There is some issue how you did this, it is the Town's opinion that it is incorrect and they are forced us to get an opinion to counter that. Chairman Stempeck asked Ms. Antonio to give him and update on the General Manager Search.

Ms. Antonio stated that the General Manager Search Committee is trying to set up a meeting next week to review resumes submitted by the executive search firm. Because of this evening's meeting, and not knowing who was going to be in what Board position, she did not contact everybody. Next Thursday, they anticipate getting a presentation of the resumes to be interviewed by the committee. Chairman Stempeck asked if Ms. Antonio knew how many there will be. Ms. Antonio responded that the executive search person conducting interviews this week. Ms. Antonio said that she did get a call from the search firm. After hearing what was going on with the Board's decision, a candidate withdrew.

Discussion of General Manager Rotation

Chairman Stempeck asked Ms. Antonio if she had any idea how that information got to that individual. Ms. Antonio replied that is a very small world in the municipal utility business; phones ring on a daily basis in the business and that is her assumption.

Mr. Mancuso opened by extending his congratulations to the entire commission members who got elected. Mr. Mancuso went on to say that there was something he heard this evening that has concerned him. The specific comment was made adhering to the letter of the law and another comment having to spend time to dig into details. Mr. Mancuso said that this is a regulated, legal entity that represents 29,000 people, which is worth \$96 million. Mr. Mancuso pointed out that Mr. Talbot made a very good point in that the liabilities this organization faces if it does not stick to the letter of the law. Mr. Mancuso said that the whole point of those things is to make sure this kind of silliness does not happen. By this he means debate, who is right and who is wrong. That is what adherence to good process will prevent from happening. He has a great deal of respect as a ratepayer for what they are attempting to do. He strongly suggested that the Board spend time with Roberts Rule, with Chapter 164, with ISO New England, and with the organizations that make up this industry. It is a small industry. There are a lot of smart people within and outside that are can help get through these experiences so we as a community do not have to experience this - there is no room for it. He is encouraging all commission members to take their jobs very seriously and try to embrace the notion that, although the rules are annoying, to embrace them to prevent this type of situation.

Mr. Prisco apologized for not being at the meetings on a frequent basis as the liaison. However, Mr. Norton does a great job to keep him informed. He has a few questions before he makes any comments. Regarding the rotation, is it everybody that submitted an application for this position, going to rotate through, is that your concept. Chairman Stempeck replied perhaps not because there is not enough time. Mr. Prisco said that he is asking this question because he is having a hard time trying to understand how you got to the point where you made the decision because it seems a little unfair to the other applicants that submitted for the position. One or two or three people that are internal to RMLD to float through this as Chairman Stempeck terms for education. You have an Interim General Manager for education so they can learn the position. Mr. Prisco does not believe that is why you have an Interim General Manager at all. You have an Interim General Manager when you do not have a General Manager. To make this as an educational position brings great concern to him, his town and as a person to take that approach. As an individual he owns five businesses. It would make no sense to him that you would only let a few rotate for education. How do you compete if you are one of the applicants? Chairman Stempeck responded that you do not open it up to the entire community. Chairman Stempeck said that there are certain senior level individuals you trust with the responsibility. You choose which of those individuals you think would gain a good position and a learning experience by going through this.

Chairman Stempeck stated that he does not quite understand why you would open it up to anyone who wished to apply. Mr. Prisco responded that if Chairman Stempeck does not understand, he apologizes. If there were five or six applicants, and they all did not get the opportunity to sit in that seat, with the concept you created, aren't you creating an unfair advantage for someone to compete for that job by the nature of the way you are handling it? Traditionally, when there is a vacant position for a municipality of this size, you need to put in an interim to get through the process. Mr. Prisco asked Chairman Stempeck if he understood what he has said, Chairman Stempeck responded, no. Mr. Prisco explained, if you have six applicants, they are supposed to be given a fair opportunity for this job, is he correct. Chairman Stempeck said that they all may not be qualified. Chairman Stempeck asked, if someone after one year would be just as qualified as a ten year expert on the operation of the distribution system would that person be just as qualified as the person that purchases power supply be just as qualified. There are different levels of qualifications.

Mr. Talbot suggested that since Mr. Prisco is a Selectman, and runs businesses, we would love the input. Why not tell us what your advice is from where we are now and we can take that under advisement. Mr. Prisco said that it makes no sense to him why you are taking this approach. How do you have continuity? You are going through the budget cycle. Mr. Sullivan must be receiving a tremendous amount of feedback from department heads, with questions being asked, and working towards finishing up this process. Then you switch someone out, all this continuity, all the discussion and feedback that has been worked through one individual goes away. Mr. Talbot said to sum up Mr. Prisco's suggestion is that there should be one interim General Manager and leave it at that. Mr. Prisco agreed.

Mr. Prisco added, let the process compete the way it is supposed to when you running municipality continuity is a big part of it - you are making a great mistake. Mr. Prisco addressed Chairman Stempeck and asked if he had been a chair on a board like this before. Chairman Stempeck answered, no.

Discussion of General Manager Rotation

Mr. Prisco said that the manner which Chairman Stempeck reacted to the Town Manager is of concern because you seem to have taken offense to it. Chairman Stempeck responded it is not true at all. Mr. Prisco said that the body language and the way that Chairman Stempeck shook the paper in frustration were indicators to him. Mr. Prisco said that Chairman Stempeck should be thankful that someone brought this to his attention. Chairman Stempeck stated that he appreciates Mr. Prisco's input - he is entitled to his opinion. However, he completely disagrees.

Chairman Stempeck called for a motion to adjourn.

Mr. Talbot asked if Mr. Pacino had anything to add. Mr. Pacino said that to check with legal counsel; with his preference to push off to have another meeting next Wednesday. However is unsure if a legal opinion could be rendered that quickly.

Mr. Talbot stated that he was unable to meet next week to fix something they are uncertain about concerns him. Mr. Pacino said that he has another concern. We have appointed a different person to be Acting General Manager. If I were that person, I would be concerned on the level of support. Mr. Talbot polled Mr. Sullivan and Ms. Parenteau for their opinions.

Mr. Sullivan responded that this is the single hardest thing he has had to go through in his career.

Ms. Parenteau said that she is happy to help the Board in whatever manner they need help, she welcomes the opportunity, if it causing problems, for the Board she has no problem.

Mr. Sullivan also wanted to introduce Mr. Fournier into this. He has twenty-two years with the Department and should be part of the process. Chairman Stempeck agreed. If the Board is for a rotational process, he should be part of it. Chairman Stempeck agreed it should be senior individuals.

Chairman Stempeck said that they do not need to make a decision tonight because there have been too many things placed on the table. Chairman Stempeck stated that we need to speak with counsel.

Mr. Pacino said that the appointment should be held off one week. Mr. Talbot asked for Mr. Hechenbleikner's input. Mr. Hechenbleikner would not make any suggestion to the Light Board. Mr. Talbot added Mr. Hechenbleikner put this on the table, he is the expert. Mr. Hechenbleikner said that you do the process in accordance with the Charter. What the Board wants to do is fine, his problem is the process.

Chairman Stempeck said that counsel needs to interpret this. Mr. Pacino asked what happens on the 15th. Chairman Stempeck replied it moves on exactly as planned.

Mr. Pacino made a motion seconded by Mr. Talbot that the Commission defer the transition date from April 15 to April 29 of the Interim General Manager.


Motion carried 3:0:0. Mr. Soli was not present for the vote.

Mr. Pacino said that he owes the Board an apology. He screwed up on the search process. He has heard it was a botched process. Quite truthfully it was a botched process. Mr. Pacino said that the candidate that pulled out at the last minute really messed us up beyond belief and would like to speak with him some day.

RMLD Board Meetings

Wednesday, April 24, 2013, RMLD Spurr/AV Room, 7:30 p.m. – Regularly Scheduled Meeting

Wednesday, May 29, 2013, RMLD Spurr/AV Room, 7:30 p.m. – Regularly Scheduled Meeting



Adjournment

At 9:50 p.m. Mr. Pacino made a motion seconded by Mr. Talbot to adjourn the Regular Session.

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

David Talbot, Secretary
RMLD Board of Commissioners





Reading Municipal Light Board of Commissioners

Regular Session

230 Ash Street

Reading, MA 01867

April 24, 2013

Start Time of Regular Session: 7:30 p.m.

End Time of Regular Session: 10:30 p.m.

Commissioners:

John Stempeck, Chairman

Robert Soli, Secretary

Philip B. Pacino, Vice Chair

David Talbot, Commissioner

Staff:

Kevin Sullivan, Interim General Manager

Jeanne Foti, Executive Assistant

Paula O'Leary, Materials Manager

David Polson, Facilities Manager

William Seldon, Senior Energy Analyst

Beth Ellen Antonio, Human Resources Manager

Bob Fournier, Accounting/Business Manager

Jane Parenteau, Energy Services Manager

Peter Price, Chief Engineer

Citizens' Advisory Board:

Dave Nelson, Member

Guest:

Diedre Lawrence, Esquire, Rubin and Rudman

Public:

John Arena, Bill Brown, Peter Hechenbleikner, David Mancuso, Bob Mauceri, John Norton, Fred Van Magness

Opening Remarks

Chairman Stempeck called the meeting to order and stated that the meeting was being videotaped, it is live in Reading only. Chairman Stempeck said that all we do here pales in comparison to the events of these past two weeks. We cannot express enough our sorrow to the families of those who were killed or injured by the cowardly acts of terrorists at the Boston Marathon, MIT, Watertown and other parts of Boston. We as a country, and certainly New England as the initial founder of freedom for this great nation, have never bowed to terrorism of any kind, yet we recognize that words provide little comfort when faced with the loss of a loved one involved in such a terrible event. Lacking a better mechanism as an expression for our shared desire to help, Mr. Sullivan has set up an individual contributor fund within the RMLD for contributing to the One Fund Boston to help these families and individuals during the long recovery.

Chairman Stempeck polled the Board, Citizens' Advisory Board members and the public to see if there were additional comments. There were none.

Introductions

Chairman Stempeck acknowledged Citizens' Advisory Board member, Dave Nelson; Town of North Reading, Board of Selectmen, Vice Chairman, Bob Mauceri; Town of Reading Board of Selectmen, Vice Chairman, John Arena, in attendance at the meeting.

General Manager Search Committee – Chairman Stempeck

Chairman Stempeck reported that they have retained a professional recruiter to solicit individuals for the General Manager position. It has been very successful and the Committee is now performing the initial interviews of candidates. This work will be completed over the next week or so. It is anticipated that the candidates will be brought before the Board immediately after that. If needed, they will call a special meeting to expedite the process.

Chairman Stempeck said that as you are aware, the Board received a letter from the Town Manager indicating that the Town felt that our March 27, 2013, vote was not legal. Chairman Stempeck said that counsel (Rubin and Rudman) was retained to examine this. Counsel has returned a seven-page letter. The letter asserts that the RMLB's action, was legal, with numerous examples with case law showing this point.

Report of the Chairman (Attachment 1 and Attachment 2)

Results of Town of Reading and RMLD's Legal Counsel on Reading Home Rule Charter

This is relative to the March 27, 2013, RMLD vote on the Interim General Manager. Only RMLD Board members will receive this since it is draft form.

Chairman Stempeck asked Diedre Lawrence to be here this evening to entertain any additional questions. Chairman Stempeck said that he would like to get a motion from the Board to send a letter of response to Town Manager, Peter Hechenbleikner, that shows the legal opinion so it is open and people can look at it.

Discussion followed. Messrs. Talbot and Pacino stated that the legal opinion should be made public at this point. Chairman Stempeck agreed.

Mr. Soli made a motion seconded by Mr. Pacino to approve sending the following letter.

Motion carried 4:0:0.

Dear Mr. Hechenbleikner,

Thank you for your concerns about the validity of votes taken by the RMLB on March 27, 2013, related to the Interim General Manager's position.

We appreciate your interest in maintaining the correct process for our actions at the RMLB, and we would like to respond appropriately. We have asked counsel to review the letter and please see attached their response.

As such, we disagree with you on both of the issues you raised in your letter and we maintain that all votes and actions that occurred were within the purview of the RMLB.

Respectfully submitted,
John Stempeck, Chairman

Mr. Pacino made a motion seconded by Mr. Talbot to make the legal opinion public.

Motion carried 4:0:0.

Mr. Van Magness said that on the agenda that only the Board would receive the information because it is in draft form. It is difficult to ask counsel any questions because the legal opinion was not made public before the meeting. It is very difficult to have discussion. Mr. Talbot suggested passing out the legal opinion now. Chairman Stempeck said that the legal opinion will be made public after the meeting.

Chairman Stempeck said that the vote taken at the March 27 meeting has been affirmed by RMLD counsel. However, the person that is involved in this, Jane Parenteau, has responded that at this point in time, rather than rotate into the Interim General Manager position; she would rather see the Board be successful in hiring a new General Manager as quickly as possible. She has an extremely full workload and wants to see the RMLD continue to serve its citizens and put any remaining issues of leadership aside to get the job done without any distractions. Chairman Stempeck said that we would like to commend Jane for her professional attitude and thank both she and Kevin as we work our way through this difficult transition period.

Mr. Pacino made a motion seconded by Mr. Talbot that the Commission retains the present Interim General Manager, Kevin Sullivan until such time as the Commission appoints either a new General Manager or the Commission elects to appoint a different Interim General Manager.

Motion carried 4:0:0.

Mr. Arena said that as he understood the original motion it created a temporary assignment whereby one or more persons could in a series occupy the role of Interim General Manager, is that correct? Chairman Stempeck said that the initial intent was to have people rotate into that position. Mr. Arena said that he has not heard anything in the amended motion that rescinds the multiple roles or the temporal nature of that. He understands retaining the current, but you need to ferret out or reconstruct as it was constructed previously as well. Chairman Stempeck said that counsel's legal opinion states that this does not have to be done. Mr. Arena asked Chairman Stempeck to enlighten him. Chairman Stempeck responded that he would like their legal counsel to do so.

Report of the Chairman (Attachment 1 and Attachment 2)

Results of Town of Reading and RMLD's Legal Counsel on Reading Home Rule Charter

This is relative to the March 27, 2013, RMLD vote on the Interim General Manager. Only RMLD Board members will receive this since it is draft form.

Chairman Stempeck said that it was within the purview of the RMLD to choose a General Manager. It was meant to be temporary and that was the intent. There is no need to rescind what was done previously; we are putting in place what is already there. That was the intent of the motion.

Mr. Arena said that the earlier motion appeared to create an instance of serial leadership. It is within the purview of the Board to make such a motion that has never been the question. The question was with adherence to the Town Charter. The Board is within its authority to create a leadership structure of its own design. His question is that given that was created a few weeks ago, what does reinstatement mean in context to the earlier motion with having multiple persons. Ms. Lawrence stated that how the Town Charter does or does not impact the appointment of an interim, temporary, General Manager position is discussed in the legal opinion. The cliff notes are basically that the Charter provision addresses hiring and removing the General Manager. However, they differ on how they view the position of Interim General Manager on the same footing as the position of General Manager. Assuming that for the sake of argument, that the Charter provision applies (it is discussed in the legal opinion that they differ on this) to the actions of the RMLB, it does not apply in this instance because we are not talking about a permanent position of General Manager. It is an interim, filler type of position. The second item addressed in the legal opinion is that Town Charter provisions can only apply to actions of the Municipal Light Board to the extent that they do not conflict with Chapter 164. It is discussed within the legal opinion that the provision is not necessarily compatible with Chapter 164, which discusses in detail how and when the Board appoints a General Manager.

Mr. Arena's question is not on the legal basis. Last week the vote was to have two or three persons occupy a seat serially. The next period the decision is to retain the precursor, which was the interim. Isn't it necessary to recast the role with it no longer being the three persons? Ms. Lawrence clarified; procedurally, you are asking if they need to sew up the old one. Mr. Arena said that the motion stated that we have three people for this seat; there is now one person. Ms. Lawrence said that she does not see the need to do that, it sounds like he is referring to Robert's Rules or something to do with procedures. Mr. Arena replied, not at all; it is not Robert's Rules; it is the org chart question. Organizationally, there are three managers to fill the position serially, which is the position of the Board. Now the decision is to revert. Where is the motion to revert the prior org chart? Ms. Lawrence replied that it is assumed with the action taken this evening with that vote. An announcement was made that Ms. Parenteau declined to serve in that role. Mr. Arena pointed out that role may still exist even if she does not want that role. Ms. Lawrence said that it only exists as long as they say it exists. By taking the vote tonight that no longer exists.

Mr. Soli pointed out that the vote on March 27 said to appoint senior staff on a rotating position with Mr. Sullivan and Ms. Parenteau in those roles. It had two names only. Mr. Soli said that Ms. Parenteau says that her plate is quite full; then it is Mr. Sullivan. Chairman Stempeck said that the motion was made to be as clear as possible; we are trying to do the right thing and being very explicit as opposed to getting tied up into the intricacies of whom is to do what with whom on any given day.

Mr. Hechenbleikner stated the he e-mailed Mr. Sullivan regarding the joint meeting with RMLD Board and the Board of Selectmen on May 7 to appoint the fifth member to the Board. It would be important to have all the members of the RMLD Board and Board of Selectmen present. Mr. Arena added that he will not be present at the meeting. Mr. Hechenbleikner said that he will coordinate with Mr. Sullivan another meeting date. Mr. Hechenbleikner said, for the community, those interested can submit their applications to him.

Report of the Chairman

Fiscal Year 2014 - RMLD Operating and Capital Budget

Chairman Stempeck reported that he received a letter from the Citizens' Advisory Board Chairman that they have accepted both the Fiscal Year 2014 Operating and Capital Budget.

Mr. Talbot said that (today), he had sent a letter with some questions. Procedurally, it has been at the May meeting that the Board has approved the Budget in the past. Mr. Talbot said that at the last meeting there were other items that kept them preoccupied. Chairman Stempeck added that he just received this. (Mr. Talbot apologized for that, but was a little timelier than Mr. Hechenbleikner's letter.)

Report of the Chairman

Fiscal Year 2014 - RMLD Operating and Capital Budget

Chairman Stempeck suggested having a committee to address his ideas. Mr. Pacino pointed out that on the agenda; committees were being addressed, the committee to address this is the Budget Committee that would address Mr. Talbot's suggestions.

Mr. Pacino asked if there is a downside to not approving the Budget this evening. Mr. Sullivan cautioned that if we form a committee, it will push out the timeframe and the CAB may need to vote on this again causing a delay. Anything that is a material change needs to go back to the CAB for approval.

Mr. Talbot pointed out that there are many exciting things happening on the campus alone. The Station 1 report is a great report. It is very exciting to think what the building can be. The covered storage is a great initiative that is a means to get us out of the expensive lease. With four things happening on the campus, let us do a site plan. It is worth getting a planner in to see how the pieces fit together. This will enable Station 1 to be looked in terms of will it be storage or public use; it will influence the work done to the building. Chairman Stempeck asked if we could do something like that (in terms of a master plan), irrespective of approving the Budget. Can the Budget be approved, but have money allocated to develop the master plan. Mr. Sullivan responded that you can perform a master plan. Mr. Sullivan said that as far as Station 1, he would like to get some forward motion to preserve the building even if it means to the masonry or the roof. Mr. Talbot asked if we could take a piece of the \$850,000 and set that aside for planning. Mr. Polson said that Mr. Talbot had a good point with the master plan to evaluate the site. There is enough money available so that a master plan could be a part of the project. There are a lot of things going on such as traffic flow, Station 1 and covered storage. A site plan would not be an exorbitant amount of money and should be able to fit that in and present that to the Board. Mr. Polson would encourage the Board to support the capital plan as quickly as possible in order that the site plan can take place. Chairman Stempeck asked if there is anything that would be impacted if we waited until May to approve the Budget. Mr. Sullivan responded that only if there is a material change that requires CAB input. Chairman Norton stated that historically, if there is movement of \$200,000 or more either way, then it goes back to the CAB for re-approval. If you move within Budget, that is not within the CAB's purview. Mr. Soli asked for clarification, the bottom line. Chairman Norton said that if the bottom line remains within the \$200,000 that is fine. If you are moving dollars in the context of the conversations here it does not affect them because the bottom line remains the same.

Mr. Sullivan pointed out that the energy storage process is a \$20 million project which would require a bond be floated because the RMLD does not have that level of funding.

Ms. Parenteau said that she wanted to speak to the storage opportunity. Her department is responsible for managing the wholesale power supply costs, which include capacity, transmission, and energy. One of the areas being investigated, in terms of managing capacity and transmission costs, is distributed generation. At the December meeting, the building presentation was being discussed. One of her employees approached her to discuss clean energy in terms of battery storage. They submitted a proposal to the Massachusetts Clean Energy Center (CEC) for a feasibility study. They were notified in late March that as a municipal light plant that RMLD does not qualify for the proceeds of that grant. However, she was contacted directly by the CEC, it was indicated to her that the submitted proposal was substantially strong. It provoked discussion with the Sandia National Laboratories and the Department of Energy. The CEC subsequently scheduled a conference call with RMLD and the Department of Energy on April 16. The Department of Energy has proposed to fund a feasibility study for this up to \$100,000 if we could submit a proposal to them by the end of May. It is preliminary, it is an idea. Ms. Parenteau is concerned that we do not have the resources to perform this proposal in house and achieve that timeline with their current level of activity. Mr. Talbot clarified that we have an opportunity to get \$100,000 from the Department of Energy. Ms. Parenteau responded that they have funds available for this fiscal year. Mr. Talbot asked, this money pays for the study, not the storage. Ms. Parenteau responded that it is for a feasibility study for what the building can hold and what the economics are RMLD is looking at. We are talking one megawatt of battery storage. Chairman Stempeck asked if the additional resources, externally will it be paid by this grant? Ms. Parenteau replied, yes. Mr. Talbot asked if additional funding is required. Ms. Parenteau explained that this is for this fiscal year. Ms. Parenteau added that it is a matter of manpower issues developing this proposal to work with the CEC. The CEC would like to see this in Massachusetts because there is no utility in Massachusetts that does this operation. Mr. Talbot asked what needs to be done to get the application in. Ms. Parenteau said that it is a matter of manpower. Chairman Stempeck suggested taking this offline; it is a great idea and it can be funded externally.

Report of the Chairman

Fiscal Year 2014 - RMLD Operating and Capital Budget

Mr. Soli said that when he came to the meeting, it was his expectation that one or two committees were going to be reinstated, especially the Budget Committee. There has been a lot of discussion and he has some notes that would be better served at a Budget meeting.

Chairman Norton cautioned the Board in postponing this into May. If the \$200,000 figure is exceeded; it has to come back to the CAB. Per the Twenty Year Agreement, they have thirty days to act on that and resubmit it to the Board. You are potentially getting into June and July. He cannot guarantee getting a quorum due to vacations; keep your timeframes in mind. Chairman Norton reiterated if you exceed \$200,000 the Budget needs to go back to the CAB there is a thirty day review.

Mr. Pacino suggested if the Budget Committee is formed that it meets two weeks from this evening. At a prior Board meeting, it was suggested to have a second meeting during the month to accommodate such issues.

Mr. Soli made a motion seconded by Mr. Talbot that the RMLD Board of Commissioners delay action on the Fiscal Year 2014 Operating Budget and Capital Budget until May 29, 2013.

Motion carried 4:0:0.

RMLD Board of Commissioners Committees and Assignments (Attachment 3)

Mr. Soli made a motion seconded by Mr. Talbot to reinstitute the Budget Committee, the Power & Rate Committee, and the General Manager Committee, with the Budget Committee members, Robert Soli, Chairman; Philip Pacino, Member; and David Talbot, Member; with the other committees to be staffed at the May meeting.

Motion carried 4:0:0.

Mr. Soli explained that the Power & Rate Committee involves getting into the details with Energy Services when power contracts become due. Such meetings provide an opportunity to learn those details, understand them and come up with a recommendation for the Board. This committee meets up to three times a year depending on whether power has to be purchased.

Mr. Soli said that the General Manager Committee met with the General Manager and came up with a list of goals for the year on which compensation was based and at the end of the year evaluated the General Manager.

Chairman Stempeck asked the Power & Rate Committee is that something where we would have influence on how the General Manager handles the operational aspects or is it for informational purposes. Mr. Soli responded that the Board approves contracts, so if there are power contracts it is good that we try to understand them. Mr. Pacino explained that how it worked in the past is that the Power & Rate Committee got the first run on the power contracts and made a recommendation to the entire Commission as to whether or not to approve the contracts.

Mr. Soli added that when there were green power projects, Energy Services would come to the Committee with proposals that were green with the consensus that the contracts were too pricey. Chairman Stempeck commented that it is his sense that it is a valuable committee; the only qualification is the workload that currently exists within that particular department, is there time to do this.

Chairman Stempeck asked for Ms. Parenteau's input. Ms. Parenteau reported that part of the power supply strategic plan involves going out for an energy request for proposal for power supply on an annual basis for the next four years. They are a little behind on that as they usually go to the Board in February. The Department needs authorization on contracts prior to final prices because those prices are only valid for less than a one hour period. Ms. Parenteau said that she is in the process of putting that together what needs to be presented to the Power & Rate Committee or the Board as well as the CAB. There are two wind projects as well as two hydro projects that are being evaluated. Chairman Stempeck said that the Power & Rate Committee will serve a very useful purpose. Ms. Parenteau said that when the meetings are posted the full Board is also encouraged to come. Mr. Pacino added that each month there should be a report from each of the committees because the REC issue was not discussed with the full Board only the Power & Rate Committee.

The Budget Committee will meet on Wednesday, May 8 at 7:00 pm.

Report of the Chairman

Code of Conduct RMLD Board Meetings

Chairman Stempeck reported that the Code of Conduct at RMLD Board Meetings is currently in draft form. Chairman Stempeck is proposing that the Code of Conduct be read at each Board meeting because it is a mutual document that we show each other respect whether it be from the public or the Board speaking. He has the feeling it has not always been the case here.

Chairman Stempeck read the Code of Conduct at RMLD Board Meetings:

Prior to opening the meeting to public comment, we would like to establish a few rules of conduct for these meetings, which will be repeated at every meeting.

1. First, a statement of who we are: The RMLD Board is a body of **elected volunteers** who have chosen to try to serve our communities, with the goal of providing reliable electric power at the lowest possible cost.
2. The RMLD Board will be focused on **facts** at our meeting, not conjecture, and we will hold all public comment to this same standard. If you wish to discuss facts of performance and/or non-performance by the RMLD, which can be documented, we welcome your comments and constructive criticism.
3. We believe in being courteous to everyone. The Board will not tolerate any individual who chooses to question the character, motivation, or qualifications of any member of the Board or the CAB.
4. As a pre-requisite to be recognized by the Board to speak, we would ask that everyone acknowledges that they understand what was just presented.

Chairman Stempeck polled the Board for comments. Mr. Talbot said that he liked it.

Mr. Mancuso said that he thought it was a great idea to have a Code of Conduct. Adherence to Robert Rules provides the exact same framework. As the Board develops proficiencies as volunteers, with the complexity of Robert's Rules is the natural by-product of will be the Code of Conduct you are after. Mr. Mancuso said that he encourages constructive input from the ratepayers. There are many agendas in the energy industry these days and the Board will address many of these agendas. People come from many perspectives on these agendas, some informed some not informed. Sometimes it will be the obligation of the Board to share information with the public that educates them about these issues. Sometimes the public will ask what appear to be aggressive questions because they do not know, so within that Code of Conduct, so as long as the spirit is to enable open transparent dialogue between the Board and the public.

Chairman Stempeck said that he completely agrees with Mr. Mancuso to get something out there that can be wordsmithed. It is a mechanism they can use to have courtesy guidelines. It is about facts. No one wants to deal with conjuncture. He is one hundred percent into digging into the facts for the truth.

Mr. Van Magness said that it is a great idea to get that kind of policy. Mr. Van Magness added that the spirit is there and it is a good thing to have. Mr. Van Magness suggested publicizing this at the very beginning of the meeting instead of waiting for public comment.

Mr. Van Magness said that Chairman Stempeck has been quite gracious with allowing comment. From a public standpoint, it cuts both ways and somehow that statement (referring to the context of the document) that the Board needs to understand some of that.

Mr. Talbot clarified, is there a provision formerly on the agenda to have the public speak. He also pointed out that on the Board of Selectmen's agenda; the opportunity to speak is on there for the first ten minutes. It is valuable and friendly to the public. It is the spirit of openness. If there are issues out there you can take care of them early. He suggests that we could adopt it too. Mr. Talbot suggested making a motion that the Board add a ten minute public comment period at the beginning of the meeting. The consensus was that no motion was required; it was up to the discretion of the Chairman.

Chairman Stempeck said that he looks for public comment on the Code of Conduct as well.

Report of the Chairman

Code of Conduct RMLD Board Meetings

Mr. Pacino made a motion seconded by Mr. Soli to establish a Code of Conduct and be decided upon at a future meeting.

Motion carried 4:0:0.

Approval of Board Minutes

Mr. Pacino made a motion seconded by Mr. Soli that the RMLD Board of Commissioners approve the Regular Session meeting minutes of March 27, 2013 with the changes presented by Mr. Soli.

Motion carried 4:0:0.

General Manager's Report – Mr. Sullivan – Interim General Manager

Mr. Sullivan reported on the following community announcements:

Earth Day April 27

The RMLD will be participating at the Earth Day event at the Mattera Cabin, 1481 Main Street, Reading, 10 am to 2:00 pm.

Bicycle Swap May 3 and May 4

A bicycle swap will be at the Reading Municipal Light Department. Reading Cares and Reading Climate Advisory Committee will sponsor their fifth free annual bicycle recycling event. This will take place on Friday, May 3 and Saturday, May 4. For more information please email info@readingcares.org.

Friends and Family Day June 15

The RMLD will have a booth at the Friends and Family Day, Saturday, June 15.

Middleton Overpayment Discussion

Mr. Sullivan reported that he met with the General Manager of Middleton Municipal Electric Department (MELD). They discussed the amount of the overpayment, which is approximately \$400,000. Mr. Sullivan said that last month he reported that the amount was lower; however, the number has been refigured. Mr. Sullivan added that Energy Services was involved in the refiguring amount. The Middleton Board would like to credit this back as soon as possible. MELD has agreed to make this right by the end of RMLD's fiscal year 2013. Mr. Sullivan and Mr. Fournier are working on this process.

NSTAR Overpayment Discussion

Mr. Sullivan reported on the NSTAR overpayment. Per RMLD's legal counsel in Washington, DC, Duncan & Allen, approximately \$198,000 was recoverable when filed with the Regional Network Service expenses for 2010 and 2011. The 2011 expenses did not include the Schedule 125 payment of the remaining \$58,380. He has contacted the attorney on this as well as an outside service the RMLD utilizes, Frank Radigan. They are going to try to re-file this year.

Mr. Sullivan said that there is no assurance that the 2011 expense will be allowed to be claimed this year. There could be potentially a loss of \$58,380. He will keep the Board updated on this.

Due to both of these situations, the Middleton and NSTAR overpayment issues, he has directed Mr. Fournier to speak with Melanson, Heath & Company, PC. They will be coming out to audit the purchase power process.

Mr. Sullivan reported that RMLD has received notification from MMWEC relative to their new billing process, which has been in place since late January. The March invoices will be issued on April 29 with the April invoices being on schedule in May.

Power Supply Report – February 2013 – Ms. Parenteau (Attachment 4)

Ms. Parenteau presented the February power supply report provided in the Commissioner packets covering power supply charges, energy cost, fuel charges and collections, fuel reserve balance, spot market purchases, capacity costs, as well as the percentage of RMLD's hydro projects.

Power Supply Report – February 2013 – Ms. Parenteau (Attachment 4)

Ms. Parenteau reported that in February natural gas prices were 96% higher than January's average cost at \$21.17 per MBTU. February 2013 to February 2012 comparison reflects an increase of the natural gas prices by 490%. It is \$21 versus \$3.61 per MBTU. The ISO observed that the fuel uncertainty is escalating and is unsustainable. They are working with the state stakeholders to address system reliability during the cold snaps and storm conditions.

In February, the RMLD had 7.7% of its purchases from hydro generation. The RMLD has four hydro projects in which they have signed purchase power agreements. For quarters three and four of 2012, as well as January and February 2013, the RMLD has a total projected REC value of 7,409 with a market value as of the writing of this report of approximately \$274,000.

Mr. Soli commented that he watches NYPA closely; he has never seen the fuel charge so high. Ms. Parenteau explained that is a result of the congestion in the New York, NYPA comes through the New York ISO, it is transmission related.

Engineering and Operations Report – March 2013 – Mr. Sullivan (Attachment 5)

Mr. Sullivan presented the report included in the Commissioner packet covering the monthly capital projects, an update on the metering project and reliability reporting.

Mr. Sullivan reported that the Customer Average Interruption Duration (CAIDI) annual average is a little bit lower than what it was in February.

The System Average Interruption Frequency (SAIFI) values have climbed due to the number of customers out of service. Mr. Sullivan referred back to the North Reading cable failure. There were 1,266 customers out of service for the month of March.

Mr. Sullivan reported on the meter upgrade project. The Department has resumed the installation of residential meters since the snow has abated. Residential and commercial meters are being installed simultaneously. The fixed network was tested in Lynnfield which is the last town to be installed.

Financial Report – February 2013 – Mr. Fournier (Attachment 6)

Mr. Fournier presented the financial report included in the Commissioner packet for the first eight months; net income \$130,000, increasing the year to date income to \$2.4 million. Year to date kilowatt hour sales were 484,000,000 kilowatt hours sold which is 3% ahead of last year's actual figure.

Melanson Heath & Company, PC – Potential Special Audit

Chairman Stempeck reported that this is in response to how we get a better handle on our financial aspect or whatever it may be within the Department where issues have arisen. Chairman Stempeck said that we are trying to put other things in place to rectify this.

Mr. Fournier explained that when Mr. Sullivan told him about the Middleton overpayment issue and after the NSTAR issue that occurred in 2011, the auditors made it very clear to him that they wanted to be notified immediately, therefore he called the auditors.

Mr. Fournier said that the auditors were quite surprised. This could appear as a footnote in the financials, again; however, where the RMLD was proactive and was addressing it, would make it easier on the financial report. Mr. Fournier reported that they have a special division that addresses this and can send someone out by June.

Mr. Fournier said that when the audit is performed in August, the auditors can be assured that the numbers they are looking at with the loose ends being tightened up. They can at least say that the Department is being proactive. He is having this special audit performed by Melanson Heath, if they are available, in May or June to conduct such an audit.

Chairman Stempeck stated that it is good to be proactive where we are financially driven.

**Financial Report – February 2013 – Mr. Fournier (Attachment 6)
Melanson Heath & Company, PC – Potential Special Audit**

Chairman Stempeck asked if Melanson Heath is the right company because it can be a conflict of interest where they do things for other parts of the town. Mr. Fournier responded that it will not be the same auditors performing the audit because it is a different division. Mr. Fournier said that the scope dictates the pricing, but this may cost approximately \$50,000.

Mr. Van Magness said that there was discussion last month about this issue. Mr. Van Magness applauds the Interim General Manager for his actions. The scope of this needs to be a thorough examination of the entire process of the accounts payable. That is where the problem has been, in the account payable process.

Mr. Van Magness questioned how things get reviewed within the Department, where the approvals are being made, what processes the Board members go through. Are there specific control points, are there control mechanisms that need to be in place for recurring payments? Both times it has been the recurring payments rather than go buy a bucket truck or cable. It is important for the Board to have a discussion around what we want to ask the auditors to do.

Chairman Stempeck said that we are discussing a workflow analysis and will examine that. He has done that for other companies, is familiar with that and thinks it is a good idea. The real question is the timing and the cost.

Mr. Fournier pointed out that part of the audit process is testing the account payable invoices with a testing of fifty to one hundred invoices which are followed from soup to nuts. To have a special audit on the whole account payable (AP) process is unnecessary because it is performed annually. Mr. Fournier pointed out that with the power invoices Accounting does not see the contracts therefore, whatever gets approved goes through. Mr. Fournier reported that on the NSTAR issue that Mr. Sullivan had esoteric knowledge because of working at NSTAR knew that right away the invoice should not be paid. Mr. Fournier stated that if Mr. Sullivan had not covered the AP in the absence of Mr. Cameron, the RMLD would still be paying that invoice. Mr. Fournier added that for the Middleton billing, it is unfortunate that it happened coupled with the NSTAR issue. Mr. Pacino added that the Department is seeking authorization to go forward and take the next step. There is no formal motion required, but the sense of the Board is to go forward with the next step and obtain the auditor's opinion. Mr. Fournier will bring any information relative to the Budget Committee if he has any update on this.

M.G.L. Chapter 30B Bids (Attachment 7)

Ms. O'Leary stated that the Board has had concerns in the past with bidders not submitting the required documents as a result of being deemed non-responsive. Mr. Soli's recommended for neon paper in order that it stands out for bidders. The neon will not work because most of the bids are sent electronically, instead highlighted all documents with bold and italics, clearly stating that they would be deemed non-responsive. Certain documents are statutory and must be included in the bid. Relative to the four bidders on the underground bid that will be addressed this evening which was the first bid this has been tested on, none have been deemed non-responsive. Ms. O'Leary thanked the Board for the suggestion.

IFB 2013-21 Bucket Truck 55 Ft.

Mr. Polson reported that this truck will be utilized by the Line Department. The bucket truck will arrive next Fiscal Year 2014. It is for Fiscal Year 2014 because it will take more than two hundred days before the RMLD will receive this truck.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2013-21 for one Bucket Truck 55 Ft. be awarded to Altec Industries, Inc. for \$187,905.00 as the lowest qualified and responsive bidder on the recommendation of the Interim General Manager.

Motion carried 4:0:0.

IFB 2013-22 Trouble Truck 40 Ft.

Mr. Polson reported that this bid was sent out to twenty-two companies with four responses. The lowest bid was deemed non-responsive. They were unable to provide the lift equipment that was in the specifications for this bid. The second lowest, Freightliner, offered a urea additive to the exhaust not in our spec, therefore were non-responsive.

M.G.L. Chapter 30B Bids (Attachment 7)

IFB 2013-22 Trouble Truck 40 Ft.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2013-22 for one Trouble Truck 40 Ft. be awarded to James A. Kiley Co. for \$182,744.00 as the lowest qualified and responsive bidder on the recommendation of the Interim General Manager.

Motion carried 4:0:0.

IFB 2013-23 Deck Repair

Mr. Polson reported that he would like to cancel this bid. Yesterday, he was made aware of additional information because of the scope of work. The original information he received from the building inspector regarding the handicap ramp was that the existing ramp was sufficient. However, yesterday he found out that the building inspector is requiring widening the ramp. This changes the scope of the project and increases the cost. Therefore he would be recommending to cancel this project.

IFB 2013-25 Lynnfield URD Excavation Project 2013

Mr. Price reported that this bid is for the underground excavation for the Lynnfield URD project. The original bidder pulled his bid back.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2013-25 for the Lynnfield URD Excavation Project 2013 be awarded to Tim Zanelli Excavation., LLC for \$91,975.00 as the lowest qualified bidder on the recommendation of the Interim General Manager.

Motion carried 4:0:0.

IFB 2013-26 Underground Electrical Distribution

Mr. Price reported that this bid is for the underground electrical contractor and is a three year bid. Mr. Price explained that Fischbach & Moore is RMLD's current contractor. They are the lowest qualified bidder and are 0.4% lower than last year for their rates.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2013-26 for Hourly Rates for Professional Manpower, Vehicles, Trade Tools and Equipment for Underground Electrical Distribution Construction be awarded to Fischbach & Moore Electrical Group, LLC for \$900,681.60 - Projected cost for a typical crew including Foreman, Journeyman and vehicle as the lowest qualified bidder on the recommendation of the Interim General Manager.

Motion carried 4:0:0.

IFB 2013-29 750MCM Cable

Mr. Price reported that this bid is for cable for the underground getaways. There was discussion in the cable budget raising the capacity to fifteen megawatts; this is the cable that is utilized. Mr. Sullivan explained that this cable is replacing what was used in the 3W8 cable failure in North Reading.

Mr. Soli made a motion seconded by Mr. Pacino that bid 2013-29 for 750 MCM Cable be awarded to Yale Electric East LLC for a total cost of \$54,585.00 as the lowest qualified bidder on the recommendation of the Interim General Manager.

Motion carried 4:0:0.

General Discussion

Chairman Stempeck asked if there was any other additional discussion. There was none.

Public Comment

Mr. Van Magness asked about the deck repair. Why would any money be spent at all. Why can't it be moved? What functional purpose does it serve; perhaps it is part of the site plan. Mr. Van Magness said that he does not need an answer this evening. Mr. Sullivan explained that the deck is approximately twenty by thirty. The decking material and the foundation is in terrific shape, the railings and enclosure were affected by Hurricane Sandy.

Ms. O'Leary mentioned recently she received something from Northeast Public Power Association for a contract for wooden poles.

Public Comment

Ms. O'Leary said that she had heard Mr. Van Magness' suggestion in the past; they also obtained separate pricing from a vendor which came in lower than NEPPA contract. They are working on that. Chairman Stempeck suggested looking at the most strategic items first as a means of trying to see if a joint purchase is feasible. There has to be a case study that has been performed on this. Mr. Sullivan said that it is a good suggestion, but can be unwieldy due to Chapter 30B.

Chairman Stempeck asked that Ms. O'Leary contact other utilities to see if it is feasible. Ms. O'Leary added that through the Massachusetts Association Public Purchasing there are other consortiums that provide bulk purchasing.

Mr. Van Magness added that on February 20 there was discussion that the Board was going to make public the full content of the previous General Manager's consulting contract. It was expected to be at the March 27 meeting. Mr. Sullivan responded that nothing has been spent to date. Mr. Pacino added that no contract has been signed. Mr. Van Magness commented that if no contract has been signed, then there is nothing to disclose.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, April 2013

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Tuesday, May 7, 2013, Meeting with Reading Board of Selectmen, Reading Town Hall, 7:30 p.m.

Wednesday, May 29, 2013 and June 26, 2013

Citizens' Advisory Board Meeting

Wednesday, May 15, 2013, RMLD at 6:30 p.m.

Executive Session

At 9:42 p.m. Mr. Soli made a motion seconded by Mr. Pacino that the Board go into Executive Session to discuss strategy with respect to collective bargaining Chapter 164 Section 47 D exemption from public records and open meeting requirements in certain instances and return to Regular Session for the sole purpose of adjournment.

Chairman Stempeck polled the Board. Motion carried by a polling of the Board:

Mr. Soli; Aye; Mr. Pacino, Aye; Chairman Stempeck, Aye; and Mr. Talbot; Aye. Motion carried 4:0:0.

Adjournment

At 10:30 p.m. Mr. Soli made a motion by Move to adjourn the Regular Session.

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



Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
May 22, 2013

Start Time of Regular Session: 5:00 p.m.

End Time of Regular Session: 8:49 p.m.

Commissioners:

John Stempeck, Chairman

David Mancuso, Commissioner

Robert Soli, Commissioner

Philip B. Pacino, Secretary

David Talbot, Commissioner

Staff:

Beth-Ellen Antonio, Human Resources Manager

Jeanne Foti, Executive Assistant (for a portion of meeting)

Kathleen Rybak, Operational Assistant

Call Meeting to Order

Chairman Stempeck called the meeting of the Reading Municipal Light Board of Commissioners to order at 5:00 p.m. Chairman Stempeck stated that the meeting was being broadcast at the RMLD office at 230 Ash Street, Reading, MA. Live broadcast is available only in Reading due to technology constraint. The meeting is being videotaped for distribution to the community television stations in North Reading, Wilmington, and Lynnfield.

Opening Remarks

Chairman Stempeck thanked those who were present at the meeting and noted that the sole focus of the meeting would be to interview three candidates for the position of General Manager of the RMLD and to appoint one to that position. Chairman Stempeck stated that the qualifications of each candidate are outstanding and that the Commissioners were flattered and honored to have them. Chairman Stempeck thanked Ms. Beth-Ellen Antonio for conducting an intensive and professional search effort.

Secretary for Meeting

Chairman Stempeck noted that Mr. Pacino would serve as Secretary for the meeting.

General Guidelines for Meeting

Chairman Stempeck reviewed the general guidelines for the meeting:

- Each candidate will be given one hour.
- Each Commissioner will be given approximately ten minutes during which to ask questions of each of the candidates.

Interview of General Manager Candidate – James Palmer

Chairman Stempeck introduced Mr. James Palmer and invited him to make opening remarks.

Mr. Palmer gave an overview of his background and experience. Mr. Palmer is presently with the Town of Belmont Light Department where he has worked for the past seven years – running the Light Department for the last few years. Mr. Palmer outlined some of the challenges that he has faced at the Town of Belmont Light Department. Previous experience includes NSTAR Electric/Boston Edison.

Chairman Stempeck thanked Mr. Palmer and then opened the forum up to the Commissioners. Commissioners asked a series of questions. Once questioning was complete, Chairman Stempeck offered Mr. Palmer the opportunity to ask questions.

Mr. Palmer asked what the Board is expecting from a General Manager. Chairman Stempeck stated it's really focused on leadership - a very key element of what we are looking for. And, certainly understanding all the functional needs of each department because they need to work together for the department to work together and meet the needs of our customers. If any one of them doesn't it becomes extremely difficult. We are looking for that unique person to bring that leadership across all the different groups and make everything work correctly.

Mr. Palmer expressed his appreciation to the Board and to Ms. Beth-Ellen Antonio.

Chairman Stempeck thanked Mr. Palmer and then called for a short recess.

Interview of General Manager Candidate – Coleen O'Brien

Chairman Stempeck introduced Ms. Coleen O'Brien and asked her to give a brief overview of her background and experience.

Ms. O'Brien started by thanking the Board for the opportunity; she stated that she was honored and privileged to have been selected as a finalist for Reading Municipal Light. Ms. O'Brien stated that she was from the North Shore Area – grew up in Saugus and went to Northeastern University Coop Program. She has had the opportunity to travel almost all over the United States working for a multitude of utilities. Ms. O'Brien described some of the projects that she led at various public utilities. Ms. O'Brien moved back to the North Shore area in the mid-nineties and took the job at the Danvers Electric Department where she has been for the past 18 years.

Chairman Stempeck thanked Ms. O'Brien and then opened the forum up to the Commissioners. Commissioners asked a series of questions. Once questioning was complete, Chairman Stempeck offered Ms. O'Brien the opportunity to ask questions.

Ms. O'Brien did not have any questions, but asked if she could provide a summary. She provided a brief summary of the qualifications and attributes that she would bring to the job. Ms. O'Brien stated that she thought she would be a good fit, and is certainly up for the challenge. Ms. O'Brien stated that she was honored to have been chosen as a finalist, and thanked the Board.

Chairman Stempeck thanked Ms. O'Brien and then called for a short recess.

Interview of General Manager Candidate – Jonathan Fitch

Chairman Stempeck thanked Mr. Jonathan Fitch for being present and asked him to give a brief overview of his background and history.

Mr. Fitch introduced himself and stated that he is currently the manager of the West Boylston Municipal Light Plant where he has been for a little over a year and half. Prior to West Boylston, he managed the Princeton Municipal Light Plant for over twelve years. In addition to his work in public power, Mr. Fitch worked in private industry doing very similar activities at high-tech firms in Silicon Valley that had very large loads in some of the biggest municipal light plants in the nation. Mr. Fitch was a Captain in the US Army, and graduated from Northeastern University with a degree in Electrical Engineering. In the course of all his work experience, he earned an MBA from WPI in Worcester. Mr. Fitch holds professional engineers' registrations in both California and Massachusetts.

Chairman Stempeck thanked Mr. Fitch and then opened the forum up to the Commissioners. Commissioners asked a series of questions. Once questioning was complete, Chairman Stempeck offered Mr. Fitch the opportunity to ask questions.

Mr. Fitch asked, given that the power portfolio was about 80% of the budget, does the Light Board have any long-term strategy for power purchases or actual ownership in power plants. Is there a strategy in place, or even any desire to own actual power plants, or just the power output of the power plant?

Mr. Mancuso stated that he would like to hear Mr. Fitch's thoughts.

Mr. Fitch gave an overview of the process and factors that impact decision-making for the purchase of power supply and/or power plants. Mr. Fitch stated that he would present any and all options to the Board and at the end of the day whatever the Board direction is he would follow it. The Board is the elected representation of the rate payers and at the end of the day the General Manager follows those directions.

Chairman Stempeck thanked Mr. Fitch and moved to a short break.

Discussion of Candidates and Selection of General Manager

Chairman Stempeck stated that he would like to illicit any discussion from the Commissioners. Chairman Stempeck also stated that each and every one of the candidates is an excellent choice. Chairman Stempeck thanked them once again for appearing before the Board and going through this process. Chairman Stempeck opened the forum for discussion.

Mr. Pacino thanked the Chairman for leading the Search Committee and the fine job that was done as well as the fine job the recruiter did. Mr. Pacino also thanked Beth-Ellen Antonio and George Hooper who served on the Search Committee and Marsie West, who was in the audience. Mr. Pacino stated that all three candidates are excellent candidates as he had experienced from the search process. Any of the three would be a fine candidate. Looking at ranking them, Mr. Pacino ranked James Palmer as number one, Ms. O'Brien as number two, and Mr. Fitch as number three. Mr. Pacino went on to say that he feels that Mr. Palmer would be the best one to come in and run the Department; he's run a similar department over in Belmont and he'd be the one that could get in here and aboard the fastest. Ms. O'Brien is not far behind but he feels that Mr. Palmer would be the best one to come forward at this point.

Discussion of Candidates and Selection of General Manager

Chairman Stempeck thanked Mr. Pacino. Chairman Stempeck shared his comments as well. Chairman Stempeck would provide the ranking of Ms. O'Brien number one, Mr. Palmer two, and Mr. Fitch three. And noted that it is close, but the rationale with Ms. O'Brien is that she's clearly very competent technically; she's worked for Stone & Webster, she's seen a very broad base of projects, not just in the Northeast, but across the country.

She has strong opinions, but she deserves those because it appears that they've worked and the things she's attempted she's been very honest about. He stated that he very much liked the employee development piece and the connection to the public; he also noted her 20 year look-ahead strategy. Chairman Stempeck stated that we're in an industry where things move kind of glacially and other things move very quickly. But, in general, it's a slow moving environment and the five-year update on a twenty-year plan is an excellent strategy and she does focus on strategies. Other factors include the team building, the answers to the union-based questions – she would be excellent for Reading and I think she could bring everybody together. Chairman Stempeck stated that Mr. Palmer has, again, a very strong leadership posture, and he was impressed with that. He's faced a number of issues in his present position and yet he was able to bring everyone together and get the job done, and he is still doing that, so it's very impressive. Chairman Stempeck stated that Mr. Fitch did very similar types of things; he went through a major reorganization; he's done an excellent job in his environment. The only thing that is perhaps of some question is just the scale of the operation, and there is a scale related question in terms of being able to move seamlessly into a larger organization. But, that said, he's also an excellent candidate.

Mr. Soli stated that Ms. O'Brien and Mr. Palmer are his one and two. Mr. Soli noted that Mr. Palmer inherited a system in such bad shape. Mr. Soli reported that he had looked at the view graphs that they had at town meeting for the substation and it showed where transients come down the line and just blow out receptacles. It showed some of the maintenance operations they did there and they had stuff from 1929. Some things for maintenance they have to get from the junkyard in Connecticut. Danvers is a little bit more up-to-date. None of the ancientness of the system is due to Mr. Palmer, but it says, I think, he is a little bit behind.

Mr. Mancuso agreed that they really are three very good candidates. Mr. Mancuso stated that he agreed with the Chair on the scalability question for Mr. Fitch; he certainly understands the industry and the business. Mr. Mancuso stated that he was incredibly impressed with how so much of what he had to say was at the tip of his tongue. And so, it's hard to put him into third place because he is such a strong candidate, but would do that based on the applicability and scale of moving from that environment into the RMLD.

Mr. Mancuso stated that he was very impressed with Ms. O'Brien's energy and innovation and with her approach to management. He noted that she has a wonderful sense of humor and an inclination not to take herself too seriously. Mr. Mancuso went on to say that he looked at Mr. Palmer in some ways as his first candidate, and looked at him in that light because of the challenges he had at Belmont. Belmont was a highly neglected system; it is not a question of whether or not he wanted to, or wants to innovate, or understands how to innovate – I think he does – I think that's why he's interested in this position. Mr. Mancuso stated that as a community, or a series of communities, we would actually reap the benefits of what he would consider to be a very hardcore understanding of how to run and maintain an incredibly reliable system because he's essentially rebuilt Belmont from scratch. Mr. Mancuso summarized, if you had to edge one out or the other, he would not feel too terrible bad one way or the other. He stated that he would like to see what Mr. Palmer can do with some of the innovative opportunities that he has not yet had the chance to do at Belmont.

Mr. Talbot stated that he found himself very impressed by Mr. Fitch and particularly by his experience in the private sector in California. Knowing that he was from such a small department, he didn't expect to be as impressed by him as he was. Mr. Talbot thought Ms. O'Brien and Mr. Palmer were both also great. Mr. Talbot noted that he did not like to rank one, two or three. But, if he had to choose, it would be a toss-up between Ms. O'Brien and Mr. Fitch. Mr. Talbot echoed the comments of others about Ms. O'Brien that she would be the best individual for the job, but wanted to give Mr. Fitch his due for the performance that he put on tonight and his obvious knowledge and command of so many aspects of what we need done here including what Mr. Talbot thought was the best answer to how to do demand-side management.

Chairman Stempeck called for a nomination for the position of General Manager.

Mr. Pacino made a motion, seconded by Mr. Soli to nominate James Palmer, Coleen O'Brien and Jonathan Fitch for the position of General Manager of the Reading Municipal Light Department. Chairman Stempeck then stated that he would conduct a vote for each one of the candidates by reading off the candidate's name, and asking each Commissioner to vote for that candidate or not vote for that particular candidate.

For the General Manager Candidate James Palmer, by show of hands; the record shows that there were two votes.

For the General Manager Candidate Coleen O'Brien; by a show of hands, the record shows that there were three votes.

For the General Manager Candidate Jon Fitch; by a show of hands, the record shows that there were no votes.

Mr. Pacino wanted to present a united front in support of the individual receiving the most votes and thus made a motion, seconded by Mr. Soli, that the RMLD Board of Commissioners vote that Coleen O'Brien be appointed to the position of the General Manager of the Reading Municipal Light Department., Hearing no further discussion, **Motion carried 5:0:0.**

Chairman Stempeck congratulated Ms. O'Brien, and noted that the offer was pending contract discussions.

Ms. Foti noted that the appointment of a subcommittee for negotiation of a contract would be placed on the Agenda for the meeting scheduled for May 29.

Chairman Stempeck again, thanked everyone for participating including members of the public and those who submitted questions.

At 8:49 pm, Mr. Soli made a motion, seconded by Mr. Pacino, to adjourn the Regular Session. **Motion carried 5:0:0.**

A true copy of the RMLD Board of Commissioners Minutes
As approved by a majority of the Commissioners.

Philip Pacino, Secretary
RMLD Board of Commissioners

REPORT OF THE CHAIRMAN
BOARD REFERENCE TAB B



RMLD Board of Commissioners Committees and Assignments
May 29, 2013

Audit (Including Town of Reading Audit)

Philip Pacino
Robert Soli

Recommend audit findings to the Board.
One member of Audit Committee meets at least semiannually with the Accounting/Business Manager on RMLD financial issues.
Town of Reading Audit Committee - Sit on the Town of Reading Audit Committee and select firm that performs annual financial audit or RMLD pension trust.

General Manager Search Committee

Not To Exceed One Year

John Stempeck, Chair
Philip Pacino

Recommend the RMLD General Manager.

Public Relations Committee

Not To Exceed One Year

John Stempeck
David Talbot

From time to time review press releases and public relations programs.

Budget Committee

Robert Soli, Chair
Philip Pacino
David Talbot

Recommend Operating and Capital Budgets to the Board.
Recommend actuaries and actuary findings to the Board.
Make recommendation to RMLD Board for legal counsel.

General Manager Contract Negotiation Committee

John Stempeck, Chair
Philip Pacino
Robert Soli

Develop and negotiate General Manager Contract.

Policy Committee

Philip Pacino, Chair
David Mancuso
David Talbot

Recommend changes of Board policies to RMLB.

Assignments

Accounts Payable

David Talbot - April
John Stempeck - May
Philip Pacino - June
Robert Soli - July

Review and approve payables on a weekly basis. This position is rotational. It requires one signature.

No Commissioner may serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.

Assignments

Payroll - Four Month Rotation

Philip Pacino, April - July
David Talbot, August - November
Robert Soli, December - March
John Stempeck, April - July

Review and approve payroll. This position is rotational every four months. It requires primary signer and one back-up.

No Commissioner can serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.



POWER SUPPLY REPORT
BOARD REFERENCE TAB C



To: Kevin Sullivan
 From: Energy Services
 Date: June 20, 2013
 Subject: Purchase Power Summary – May, 2013

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of May, 2013.

ENERGY

The RMLD's total metered load for the month was 56,418,284 kwh, which is a .028% decrease from the May, 2012 figures.

Table 1 is a breakdown by source of the energy purchases.

TABLE 1

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy	Total \$ Costs	\$ as a %
Millstone #3	1,406,419	\$6.99	2.49%	\$9,827	0.43%
Seabrook	5,896,493	\$8.22	10.45%	\$48,446	2.12%
Stonybrook Intermediate	584,478	\$81.86	1.04%	\$47,845	2.09%
JP Morgan	6,790,800	\$58.28	12.04%	\$395,785	17.29%
NextEra	3,770,000	\$45.65	6.68%	\$172,092	7.52%
NYPA	2,001,569	\$4.92	3.55%	\$9,848	0.43%
ISO Interchange	9,897,080	\$42.99	17.54%	\$425,522	18.59%
NEMA Congestion	0	\$0.00	0.00%	\$11,995	0.52%
Coop Resales	25,545	\$137.00	0.05%	\$3,500	0.15%
MacQuarie	10,062,400	\$44.08	17.84%	\$443,503	19.37%
Summit Hydro	828,163	\$54.76	1.47%	\$45,349	1.98%
Braintree Watson Unit	183,855	\$70.15	0.33%	\$12,897	0.56%
Swift River Projects	1,903,855	\$103.87	3.37%	\$197,750	8.64%
Constellation Energy	13,067,800	\$35.58	23.16%	\$464,927	20.31%
Stonybrook Peaking	0	\$0.00	0.00%	\$0	0.00%
Monthly Total	56,418,457	\$40.58	100.00%	\$2,289,286	100.00%

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of May, 2013.

Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP * Settlement	11,259,055	44.31	19.96%
RT Net Energy ** Settlement	-1,361,975	44.96	-2.41%
ISO Interchange (subtotal)	9,897,080	42.99	17.54%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

CAPACITY

The RMLD hit a demand of 143,882 kW, which occurred on May 31, at 4 pm. The RMLD's monthly UCAP requirement for May, 2013 was 211,731 kW.

Table 3 shows the sources of capacity that the RMLD utilized to meet its requirements.

Table 3

Source	Amount (kW)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,991	46.01	\$229,648	15.39%
Seabrook	7,742	49.44	\$382,780	25.66%
Stonybrook Peaking	24,981	1.77	\$44,187	2.96%
Stonybrook CC	42,925	3.83	\$164,521	11.03%
NYPA	4,019	3.91	\$15,714	1.05%
Hydro Quebec	4,584	4.51	\$20,671	1.39%
Nextera	60,000	5.50	\$330,000	22.12%
Braintree Watson Unit	10,520	10.72	\$112,750	7.56%
ISO-NE Supply Auction	51,969	3.69	\$191,737	12.85%
Total	211,731	\$7.05	\$1,492,008	100.00%

Table 4 shows the dollar amounts for energy and capacity per source.

Resource	Table 4			% of Total Cost	Amt of Energy (kWh)	Cost of Power (\$/kWh)
	Energy	Capacity	Total cost			
Millstone #3	\$9,827	\$229,648	\$239,475	6.33%	1,406,419	0.1703
Seabrook	\$48,446	\$382,780	\$431,226	11.40%	5,896,493	0.0731
Stonybrook Intermediate	\$47,845	\$164,521	\$212,366	5.62%	584,478	0.3633
Hydro Quebec	\$0	\$20,671	\$20,671	0.55%	-	0.0000
JP Morgan	\$395,785	\$0	\$395,785	10.47%	6,790,800	0.0583
NextEra	\$172,092	\$330,000	\$502,092	13.28%	3,770,000	0.1332
* NYPA	\$9,848	\$15,714	\$25,561	0.68%	2,001,569	0.0128
ISO Interchange	\$425,522	\$191,737	\$617,259	16.32%	9,897,080	0.0624
Nema Congestion	\$11,995	\$0	\$11,995	0.32%	-	0.0000
MacQuarie	\$443,503	\$0	\$443,503	11.73%	10,062,400	0.0441
* Summit Hydro	\$45,349	\$0	\$45,349	1.20%	828,163	0.0548
Braintree Watson Unit	\$12,897	\$112,750	\$125,647	3.32%	183,855	0.6834
* Swift River Projects	\$197,750	\$0	\$197,750	5.23%	1,903,855	0.1039
Coop Resales	\$3,500	\$0	\$3,500	0.09%	25,545	0.1370
Constellation Energy	\$464,927	\$0	\$464,927	12.30%	13,067,800	0.0356
Stonybrook Peaking	\$0	\$44,187	\$44,187	1.17%	-	0.0000
Monthly Total	\$2,289,286	\$1,492,008	\$3,781,294	100.00%	56,418,457	0.0670
* Renewable Resources					8.39%	

RENEWABLE ENERGY CERTIFICATES (RECs)

The RMLD sold 16,351 2012 RECs for \$775,676 in 2013. 565 2012 RECs were retired.

Table 5 shows the amount of banked and projected RECs for the Swift River Hydro Projects through May, 2013, as well as their estimated market value.

Table 5
Swift River RECs Summary
Period - January 2013 - May 2013

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	0	5,570	5,570	\$184,000
Pepperell	0	1325	1325	\$77,875
Indian River	0	2000	2000	\$110,000
Turners Falls	0	779	779	\$0
Grand Total	0	9,674	9,674	\$371,875

TRANSMISSION

The RMLD's total transmission costs for the month of May were \$646,177. This is a decrease of 9.8% from the April transmission cost of \$716,410. In May, 2012 the transmission costs were \$600,009.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	143,882	91,391	112,240
Energy (kWh)	56,418,457	52,896,791	58,085,534
Energy (\$)	\$2,289,286	\$2,220,542	\$2,098,551
Capacity (\$)	\$1,492,008	\$1,423,167	\$1,349,221
Transmission(\$)	\$646,177	\$716,410	\$600,009
Total	\$4,427,471	\$4,360,119	\$4,047,782

ENERGY EFFICIENCY

Table 7 shows the comprehensive results from the Energy Conservation program. The amount of savings is broken down by both demand and energy for the Commercial and Residential sectors.

Table 7		Total \$		Total		Total \$	
Commercial	Year	Capacity Saved (kwh)	Energy Saved (kWh)	\$/kW	\$/kWh	Rebate	Cost Benefit
Total to date	FY07-12	7,597	32,061,914	\$ 664,001	1873797	\$ 1,030,984	\$ 1,506,815
Current	FY13	1336	4,021,001	\$ 144,308	201050	\$ 424,835	\$ (79,477)
Residential							
Total to date	FY07-12	1,157	1,104,935	\$ 104,014	59,037	\$ 423,996	\$ (260,944.83)
Current	FY13	146	101,809	\$ 15,767	4,072	\$ 118,145	\$ (98,305)
Total							
Total to date	FY07-12	8,754	33,166,849	\$ 768,016	1,932,834	\$ 1,479,980	\$ 1,220,870.07
Current	FY13	1,482	4,122,810	\$ 160,075	206,140	\$ 542,980	\$ (176,764)

Table 8 shows the breakdown for residential appliance rebates by type and year.

Table 8		Washing Machine		Refrigerator		Dishwasher		Dehumidifier		Central A/C		Window A/C		Thermostat		Audits		Renewable		HP Water Heater		Fan		
Year	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars
2007																								
2008	86	\$ 4,300	47	\$ 2,360	55	\$ 2,750	7	\$ 175	17	\$ 1,700	10	\$ 250	23	\$ 230	107	\$ 14,940								
2009	406	\$ 20,300	259	\$ 12,950	235	\$ 11,750	40	\$ 1,000	41	\$ 4,100	50	\$ 1,250	114	\$ 1,140	107	\$ 14,940								
2010	519	\$ 25,950	371	\$ 18,550	382	\$ 19,100	37	\$ 925	64	\$ 6,400	49	\$ 1,225	127	\$ 1,270	64	\$ 8,960	6	\$ 20,700						
2011	425	\$ 21,250	383	\$ 19,150	313	\$ 15,650	47	\$ 1,175	57	\$ 5,700	65	\$ 1,625	118	\$ 1,180	180	\$ 26,960	4	\$ 18,000						
2012	339	\$ 16,950	354	\$ 17,700	289	\$ 14,450	38	\$ 960	44	\$ 4,400	56	\$ 1,400	105	\$ 1,050	219	\$ 32,731	3	\$ 14,000	9	\$ 2,250	3	\$ 30		
2013	256	\$ 12,800	308	\$ 15,400	280	\$ 14,000	24	\$ 600	17	\$ 1,700	41	\$ 1,025	48	\$ 480	321	\$ 64,200	1	\$ 5,000	4	\$ 1,000	4	\$ 40		
Total	2031	\$ 101,550	1722	\$ 86,100	1554	\$ 77,700	193	\$ 4,825	240	\$ 24,000	271	\$ 6,775	536	\$ 5,360	996	\$ 162,731	14	\$ 57,700	13	\$ 3,250	7	\$ 70		



ENGINEERING AND OPERATIONS
REPORT
BOARD REFERENCE TAB D



6/20/2013
2:54 PM

READING MUNICIPAL LIGHT DEPARTMENT
FY 13 CAPITAL BUDGET VARIANCE REPORT
FOR PERIOD ENDING MAY 31, 2013

#	PROJECT DESCRIPTION	TOWN	ACTUAL COST MAY	YTD ACTUAL COST THRU 5/31/13	ANNUAL BUDGET AMOUNT	REMAINING BALANCE
<u>E&O Construction-System Projects</u>						
1	Essex Street - Reconductoring	LC	18,288	22,761	197,855	175,094
2	4W13 OH Reconductoring - West Street	W	985	19,412	188,193	168,781
3	Upgrading of Old Lynnfield Center URDs (Partial CARRYOVER)	LC	15,282	136,973	492,143	355,170
* 5	Shady Lane Area - Reconductoring	W	5,676	139,811	199,042	59,231
* 6	Federal Street - Reconductoring	W	16,028	160,733	175,565	14,832
Total System Projects						
<u>Station Upgrades</u>						
<i>Station #4</i>						
8	Relay Replacement Project - (Partial CARRYOVER)	R			119,309	119,309
9	Station 4 Getaway Replacement - 4W13	R		4,430	161,779	157,349
Total Station Projects						
<u>SCADA Projects</u>						
10	Station 5 RTU (Remote Terminal Unit) Replacement	W	22,670	22,670	56,163	33,493
* 4	Station 4 RTU (Remote Terminal Unit) Replacement (Partial CARRYOVER)	R	7,760	158,190	80,653	(77,537)
Total SCADA Projects						
<u>New Customer Service Connections</u>						
12	Service Installations- Commercial/Industrial Customers	ALL	13,757	21,452	63,074	41,623
13	Service Installations - Residential Customers	ALL	20,727	220,322	207,923	(12,399)
Total Service Connections						
14	<u>Routine Construction</u> Various Routine Construction	ALL	268,492	1,819,054	988,211	(830,843)
Total Construction Projects			389,665	2,725,809	2,929,910	204,102
<u>Other Projects</u>						
15	GIS		10,054	87,365	97,495	10,130
16	Transformers/Capacitors Annual Purchases			462,799	284,000	(178,799)
17A	Meter Annual Purchases			78,997	49,710	(29,287)
17B	Meter Upgrade Project - (Partial CARRYOVER)		20,816	576,305	564,416	(11,890)
17C	Meter Upgrade Project - Commercial		6,440	433,762	551,853	118,091
18	Purchase Vehicles				65,000	65,000
19	Purchase Line Department Vehicles				65,000	65,000
20	Purchase New Pole Dolly			474,861	570,000	95,139
21	Automated Building Systems			14,771	12,000	(2,771)
22	Engineering Analysis software & data conversion - (CARRYOVER)				150,000	150,000
23	Gaw Station Generator				76,789	76,789
24	Capital Repairs - Station One				55,000	55,000
25	New Carpeting				400,000	400,000
26	Water Heater Demand Response Technology				35,000	35,000
27	Hardware Upgrades			200,088	336,611	136,523
28	Software and Licensing		9,326	88,641	126,629	52,048
					119,002	30,361
Total Other Projects			46,636	2,492,170	3,493,505	1,001,335
TOTAL FY 13 CAPITAL PROJECT EXPENDITURES			436,301	5,217,979	6,423,416	1,205,437

* Completed



**Reading Municipal Light Department
Engineering and Operations
Monthly Report
May 2013**

FY 2013 Capital Plan

E&O Construction – System Projects

- 1 **Reconductoring of Essex Street, Lynnfield Center:** *Line Department: install transformers, switch out risers, rise existing spacer cable to new arms, install arms, transfer guy wire, install messenger dead-end.*
- 2 **4W13 OH Reconductoring Project, West Street, Wilmington:** *Engineering time.*
- 3 **Upgrading of Old Lynnfield Center URDs:** *Engineering: meet with Town; work on MH diagrams, conduit and MH installation. Line Department: install new primary URD cable, install conduit and manholes.*
- 5 **Shady Lane Drive Area, Wilmington:** *Line Department: frame and make ready for primary spacer cable, transfer service. **Project Completed.***
- 6 **Federal Street, Wilmington – Reconductoring:** *Engineering time. Line Department: secondary wire pull, install new transformer, transfer service, guy work, install spider rope, install triplex cable. **Project Completed.***

Station Upgrades

- 8 **Station 4 Relay Replacement Project – Reading –** *No Activity Fiscal Year to Date.*
- 9 **Station 4 Getaway Replacement – 4W13 –** *No Activity in May.*

SCADA Projects

- 10 **Station 5 RTU Replacement, Wilmington:** *Purchase RTU station controller.*
- 4 **Station 4 RTU Replacement:** *Senior Technician work. **Project Completed.***

New Customer Service Connections

- 12 **Service Installations – Commercial/Industrial Customers –** This item includes new service connections, upgrades, and service replacements for the commercial and industrial customers. This represents the time and materials associated with the replacement of an existing or installation of a new overhead service, the connection of an underground service, etc. This does not include the time and materials associated with pole replacements/installations, transformer replacements/installations, primary or secondary cable replacements/installations, etc. This portion of the project comes under routine construction. *Notable: North Reading High School Temp Service.*

- 13 **Service Installations – Residential Customers** – This item includes new or upgraded overhead and underground services, temporary overhead services, and large underground development.

Routine Construction:

- 14 **Routine Construction** – The drivers of the Routine Construction budget category YTD are listed. This is not an inclusive list of all items within this category.

<i>Pole Setting/Transfers</i>	\$343,252
<i>Maintenance Overhead/Underground</i>	\$423,828
<i>Projects Assigned as Required</i>	\$299,205
<i>Pole Damage (includes knockdowns) some reimbursable</i>	\$86,062
<i>Station Group</i>	\$15,368
<i>Hazmat/Oil Spills</i>	\$2,908
<i>Porcelain Cutout Replacement Program</i>	\$624
<i>Lighting (Street Light Connections)</i>	\$26,835
<i>Storm Trouble</i>	\$134,992
<i>Underground Subdivisions</i>	\$51,448
<i>Animal Guard Installation</i>	\$35,602
<i>Miscellaneous Capital Costs</i>	\$398,930
TOTAL	\$1,819,054

*In the month of May three (3) cutouts were charged under this program. Approximately 18 cutouts were installed new or replaced because of damage making a total of 21 cutouts replaced this month.

Reliability Report

Two key industry standard metrics have been identified to enable the RMLD to measure and track system reliability. A rolling 12-month view is being used for the purposes of this report.

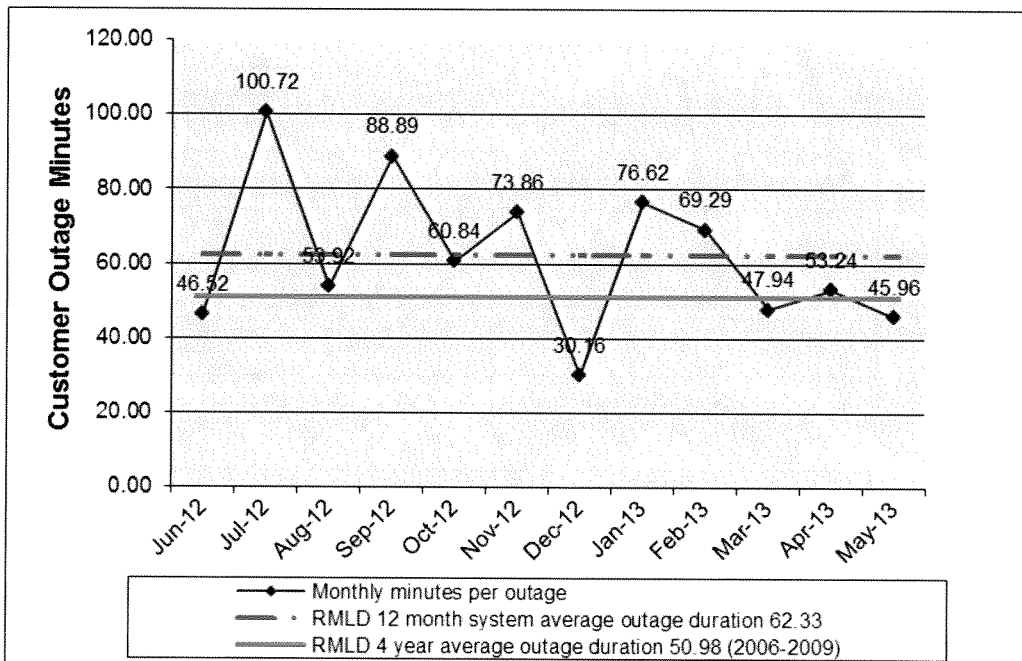
Customer Average Interruption Duration Index (CAIDI) measures how quickly the RMLD restores power to customers when their power goes out.

CAIDI = Total of Customer Interruption Duration for the Month in Minutes ÷ Total Number of Customers Interrupted.

RMLD 12-month system average outage duration: 62.33 minutes

RMLD four-year average outage (2006-2009): 50.98 minutes per outage

On average, RMLD customers that experience an outage are restored in 62.33 minutes.



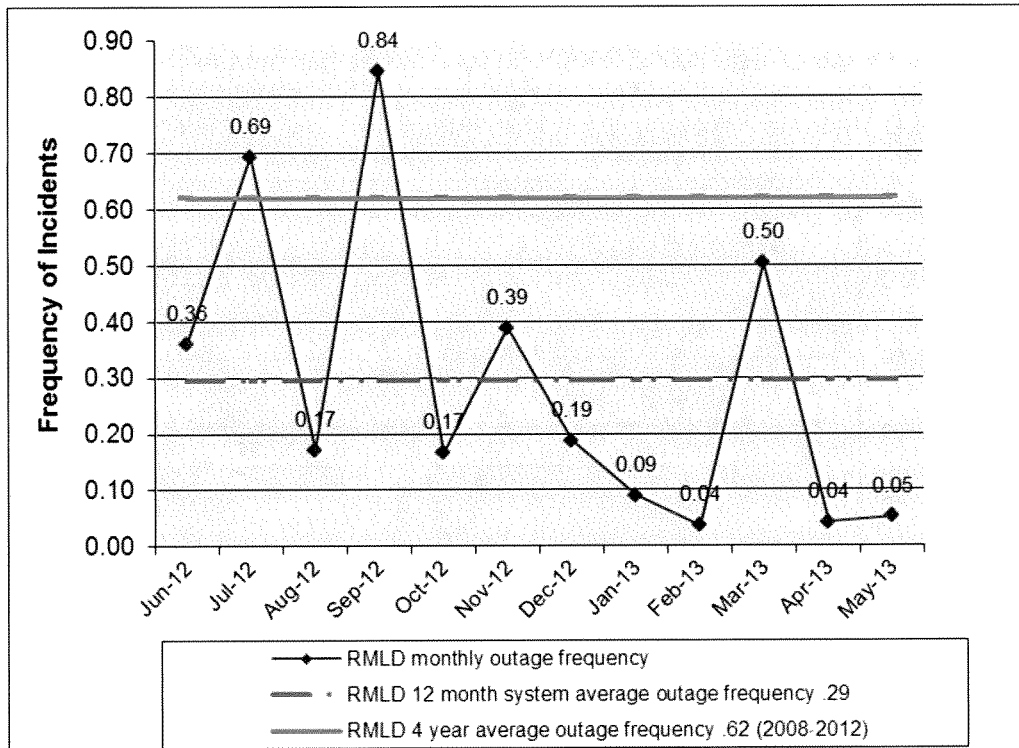
System Average Interruption Frequency (SAIFI) – Measures how many outages each customer experiences per year on average.

$$\text{SAIFI} = \frac{\text{Total Number of Customers Interrupted}}{\text{Total Number of Customers}}$$

RMLD 12-month system average: 0.29 outages per year

RMLD four-year average outage frequency: 0.62

The graph below tracks the month-by-month SAIFI performance.



Months Between Interruptions (MBTI)

Another view of the SAIFI data is the number of months RMLD customers have no interruptions. At this time, the average RMLD customer experiences an outage approximately every 41 months.

FINANCIAL REPORT
BOARD REFERENCE TAB F



Dt: June 25, 2013

To: RMLB, Kevin Sullivan., Jeanne Foti

Fr: Bob Fournier

Sj: May 31, 2013 Report

The results for the eleven months ending May 31, 2013, for the fiscal year 2013 will be summarized in the following paragraphs.

1) Change in Net Assets: (Page 3A)

For the month of May, the net loss or the negative change in net assets was \$539,633, decreasing the year to date net income to \$2,435,437. The year to date budgeted net income was \$3,234,568 resulting in net income being under budget by \$799,131 or 24.7%. Actual year to date fuel revenues exceeded fuel expenses by \$523,890.

2) Revenues: (Page 11B)

Year to date base revenues were under budget by \$1,975,589 or 4.5%. Actual base revenues were \$41.6 million compared to the budgeted amount of \$43.6 million.

3) Expenses: (Page 12A)

*Year to date purchased power base expense was under budget by \$1,865,538 or 6.8%. Actual purchased power base costs were \$25.6 million compared to the budgeted amount of \$27.5 million.

*Year to date operating and maintenance (O&M) expenses combined were over budget by \$286,722 or 2.6%. Actual O&M expenses were \$11.3 million compared to the budgeted amount of \$11.0 million.

*Depreciation expense and voluntary payments to the Towns were on budget.

4) Cash: (Page 9)

*Operating Fund was at \$8,722,213.

* Capital Fund balance was at \$2,783,545.

* Rate Stabilization Fund was at \$6,691,258.

* Deferred Fuel Fund was at \$2,793,934.

* Energy Conservation Fund was at \$322,604.

5) General Information:

Year to date kwh sales (Page 5) were 642,946,522 which is 16.2 million kwh or 2.6%, ahead last year's actual figure. GAW revenues collected ytd were \$642,726, bringing the total collected since inception to \$1,939,809.

6) Budget Variance:

Cumulatively, the five divisions were over budget by \$295,941 or 1.67%.



FINANCIAL REPORT

MAY 31, 2013

ISSUE DATE: JUNE 25, 2013



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF NET ASSETS
5/31/13

	PREVIOUS YEAR	CURRENT YEAR
ASSETS		
CURRENT		
UNRESTRICTED CASH (SCH A P.9)	9,895,165.01	8,725,213.32
RESTRICTED CASH (SCH A P.9)	19,162,596.07	19,623,340.21
RECEIVABLES, NET (SCH B P.10)	6,276,981.98	7,583,306.81
PREPAID EXPENSES (SCH B P.10)	1,029,152.23	1,019,620.24
INVENTORY	1,504,841.60	1,575,212.39
TOTAL CURRENT ASSETS	37,868,736.89	38,526,692.97
NONCURRENT		
INVESTMENT IN ASSOCIATED CO (SCH C P.2)	61,574.36	43,074.63
CAPITAL ASSETS, NET (SCH C P.2)	68,582,488.36	70,528,734.60
TOTAL NONCURRENT ASSETS	68,644,062.72	70,571,809.23
TOTAL ASSETS	106,512,799.61	109,098,502.20
 LIABILITIES		
CURRENT		
ACCOUNTS PAYABLE	4,583,936.92	4,537,683.71
CUSTOMER DEPOSITS	625,662.49	684,326.24
CUSTOMER ADVANCES FOR CONSTRUCTION	348,505.17	383,356.95
ACCRUED LIABILITIES	1,223,183.70	1,537,278.36
TOTAL CURRENT LIABILITIES	6,781,288.28	7,142,645.26
NONCURRENT		
ACCRUED EMPLOYEE COMPENSATED ABSENCES	2,934,698.58	2,986,360.21
TOTAL NONCURRENT LIABILITIES	2,934,698.58	2,986,360.21
TOTAL LIABILITIES	9,715,986.86	10,129,005.47
 NET ASSETS		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	68,582,488.36	70,528,734.60
RESTRICTED FOR DEPRECIATION FUND (P.9)	3,286,854.31	2,783,545.84
UNRESTRICTED	24,927,470.08	25,657,216.29
TOTAL NET ASSETS (P.3)	96,796,812.75	98,969,496.73
TOTAL LIABILITIES AND NET ASSETS	106,512,799.61	109,098,502.20

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
NONCURRENT ASSET SCHEDULE
5/31/13

SCHEDULE C

	PREVIOUS YEAR	CURRENT YEAR
SCHEDULE OF INVESTMENTS IN ASSOCIATED COMPANIES		
NEW ENGLAND HYDRO ELECTRIC	12,631.19	2,975.74
NEW ENGLAND HYDRO TRANSMISSION	48,943.17	40,098.89
TOTAL INVESTMENTS IN ASSOCIATED COMPANIES	<u>61,574.36</u>	<u>43,074.63</u>
SCHEDULE OF CAPITAL ASSETS		
LAND	1,265,842.23	1,265,842.23
STRUCTURES AND IMPROVEMENTS	6,778,053.52	6,802,833.03
EQUIPMENT AND FURNISHINGS	13,032,604.15	13,224,701.80
INFRASTRUCTURE	<u>47,505,988.46</u>	<u>49,235,357.54</u>
TOTAL CAPITAL ASSETS, NET	<u>68,582,488.36</u>	<u>70,528,734.60</u>
TOTAL NONCURRENT ASSETS	<u>68,644,062.72</u>	<u>70,571,809.23</u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
5/31/13

	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
OPERATING REVENUES: (SCH D P.11)					
BASE REVENUE	3,230,775.49	3,286,196.58	40,872,659.51	41,683,125.68	1.98%
FUEL REVENUE	2,344,120.24	2,260,618.34	32,653,406.45	32,053,062.75	-1.84%
PURCHASED POWER CAPACITY	(9,376.89)	(275,678.84)	(119,068.00)	1,177,275.76	-1088.74%
FORFEITED DISCOUNTS	55,711.23	57,983.14	829,403.37	879,061.52	5.99%
ENERGY CONSERVATION REVENUE	48,567.85	49,448.13	557,251.34	632,948.19	13.58%
GAW REVENUE	49,363.61	50,244.73	626,798.83	642,726.33	2.54%
NYPA CREDIT	(33,019.19)	(17,730.28)	(596,184.54)	(689,366.10)	15.63%
TOTAL OPERATING REVENUES	5,686,142.34	5,411,081.80	74,824,266.96	76,378,834.13	2.08%
OPERATING EXPENSES: (SCH E P.12)					
PURCHASED POWER BASE	1,952,992.83	2,122,543.60	22,707,982.18	25,609,011.96	12.78%
PURCHASED POWER FUEL	2,098,550.90	2,289,286.11	32,466,825.39	30,839,806.50	-5.01%
OPERATING	720,722.99	805,848.14	7,846,508.34	8,850,509.16	12.80%
MAINTENANCE	180,748.53	248,251.54	2,530,198.77	2,492,814.51	-1.48%
DEPRECIATION	296,027.47	305,469.18	3,256,302.17	3,360,160.98	3.19%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	1,239,186.00	1,247,383.00	0.66%
TOTAL OPERATING EXPENSES	5,362,042.72	5,885,398.57	70,047,002.85	72,399,686.11	3.36%
OPERATING INCOME	324,099.62	(474,316.77)	4,777,264.11	3,979,148.02	-16.71%
NONOPERATING REVENUES (EXPENSES)					
CONTRIBUTIONS IN AID OF CONST	0.00	33,507.40	54,965.54	154,070.50	180.30%
RETURN ON INVESTMENT TO READING	(183,829.75)	(188,785.58)	(2,022,127.25)	(2,076,641.40)	2.70%
INTEREST INCOME	3,572.46	2,457.09	77,135.65	32,144.58	-58.33%
INTEREST EXPENSE	(503.00)	(255.29)	(7,234.50)	(3,870.79)	-46.50%
OTHER (MDSE AND AMORT)	25,197.40	87,759.89	313,226.73	350,585.83	11.93%
TOTAL NONOPERATING REV (EXP)	(155,562.89)	(65,316.49)	(1,584,033.83)	(1,543,711.28)	-2.55%
CHANGE IN NET ASSETS	168,536.73	(539,633.26)	3,193,230.28	2,435,436.74	-23.73%
NET ASSETS AT BEGINNING OF YEAR			93,603,582.47	96,534,059.99	3.13%
NET ASSETS AT END OF MAY			96,796,812.75	98,969,496.73	2.24%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUSINESS-TYPE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
5/31/13

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE*	% CHANGE
OPERATING REVENUES: (SCH F P.11B)				
BASE REVENUE	41,683,125.68	43,658,715.00	(1,975,589.32)	-4.53%
FUEL REVENUE	32,053,062.75	28,823,033.00	3,230,029.75	11.21%
PURCHASED POWER CAPACITY	1,177,275.76	1,971,975.00	(794,699.24)	-40.30%
FORFEITED DISCOUNTS	879,061.52	960,491.00	(81,429.48)	-8.48%
ENERGY CONSERVATION REVENUE	632,948.19	650,976.00	(18,027.81)	-2.77%
GAW REVENUE	642,726.33	650,976.00	(8,249.67)	-1.27%
NYPA CREDIT	(689,366.10)	(641,663.00)	(47,703.10)	7.43%
TOTAL OPERATING REVENUES	76,378,834.13	76,074,503.00	304,331.13	0.40%
OPERATING EXPENSES: (SCH G P.12A)				
PURCHASED POWER BASE	25,609,011.96	27,474,550.00	(1,865,538.04)	-6.79%
PURCHASED POWER FUEL	30,839,806.50	28,231,610.00	2,608,196.50	9.24%
OPERATING MAINTENANCE	8,850,509.16	8,614,917.00	235,592.16	2.73%
DEPRECIATION	2,492,814.51	2,441,684.00	51,130.51	2.09%
VOLUNTARY PAYMENTS TO TOWNS	3,360,160.98	3,345,837.00	14,323.98	0.43%
	1,247,383.00	1,254,000.00	(6,617.00)	-0.53%
TOTAL OPERATING EXPENSES	72,399,686.11	71,362,598.00	1,037,088.11	1.45%
OPERATING INCOME	3,979,148.02	4,711,905.00	(732,756.98)	-15.55%
NONOPERATING REVENUES (EXPENSES)				
CONTRIBUTIONS IN AID OF CONST	154,070.50	400,000.00	(245,929.50)	-61.48%
RETURN ON INVESTMENT TO READING	(2,076,641.40)	(2,076,250.00)	(391.40)	0.02%
INTEREST INCOME	32,144.58	91,663.00	(59,518.42)	-64.93%
INTEREST EXPENSE	(3,870.79)	(2,750.00)	(1,120.79)	40.76%
OTHER (MDSE AND AMORT)	350,585.83	110,000.00	240,585.83	218.71%
TOTAL NONOPERATING REV (EXP)	(1,543,711.28)	(1,477,337.00)	(66,374.28)	4.49%
CHANGE IN NET ASSETS	2,435,436.74	3,234,568.00	(799,131.26)	-24.71%
NET ASSETS AT BEGINNING OF YEAR	96,534,059.99	96,534,059.99	0.00	0.00%
NET ASSETS AT END OF MAY	98,969,496.73	99,768,627.99	(799,131.26)	-0.80%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
RECONCILIATION OF CAPITAL FUNDS
5/31/13

SOURCE OF CAPITAL FUNDS:

DEPRECIATION FUND BALANCE 7/1/12	2,635,205.70
CONSTRUCTION FUND BALANCE 7/1/12	2,000,000.00
INTEREST ON DEPRECIATION FUND FY 13	6,158.03
DEPRECIATION TRANSFER FY 13	<u>3,360,160.98</u>
TOTAL SOURCE OF CAPITAL FUNDS	8,001,524.71

USE OF CAPITAL FUNDS:

LESS PAID ADDITIONS TO PLANT THRU MAY	<u>5,217,978.87</u>
GENERAL LEDGER CAPITAL FUNDS BALANCE 5/31/13	<u><u>2,783,545.84</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SALES OF KILOWATT HOURS
5/31/13

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	15,722,953	15,929,164	228,226,577	236,710,546	3.72%
COMM. AND INDUSTRIAL SALES	31,290,950	31,870,592	370,441,334	377,581,825	1.93%
PRIVATE STREET LIGHTING	73,075	73,699	804,208	806,435	0.28%
TOTAL PRIVATE CONSUMERS	<u>47,086,978</u>	<u>47,873,455</u>	<u>599,472,119</u>	<u>615,098,806</u>	2.61%
MUNICIPAL SALES:					
STREET LIGHTING	237,586	239,495	2,625,863	2,622,837	-0.12%
MUNICIPAL BUILDINGS	713,339	742,789	8,740,381	9,100,414	4.12%
TOTAL MUNICIPAL CONSUMERS	<u>950,925</u>	<u>982,284</u>	<u>11,366,244</u>	<u>11,723,251</u>	3.14%
SALES FOR RESALE	202,644	202,536	2,960,202	2,971,590	0.38%
SCHOOL	1,111,885	1,146,467	12,950,073	13,152,875	1.57%
TOTAL KILOWATT HOURS SOLD	<u>49,352,432</u>	<u>50,204,742</u>	<u>626,748,638</u>	<u>642,946,522</u>	2.58%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
KILOWATT HOURS SOLD BY TOWN
5/31/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	15,929,164	5,481,452	1,997,864	3,744,826	4,705,022
COMM & IND	31,870,592	3,877,588	240,862	5,135,598	22,616,544
PVT ST LIGHTS	73,699	13,433	1,360	21,924	36,982
PUB ST LIGHTS	239,495	80,662	32,500	41,666	84,667
MUNI BLDGS	742,789	183,404	134,368	154,237	270,780
SALES/RESALE	202,536	202,536	0	0	0
SCHOOL	1,146,467	403,296	257,143	150,640	335,388
TOTAL	50,204,742	10,242,371	2,664,097	9,248,891	28,049,383

YEAR TO DATE

RESIDENTIAL	236,710,546	74,502,948	33,466,441	54,560,238	74,180,919
COMM & IND	377,581,825	47,241,160	2,960,518	58,462,390	268,917,757
PVT ST LIGHTS	806,435	148,979	14,960	235,692	406,804
PUB ST LIGHTS	2,622,837	886,022	357,460	449,058	930,297
MUNI BLDGS	9,100,414	2,393,296	1,684,210	1,697,764	3,325,144
SALES/RESALE	2,971,590	2,971,590	0	0	0
SCHOOL	13,152,875	4,625,284	2,892,723	1,694,880	3,939,988
TOTAL	642,946,522	132,769,279	41,376,312	117,100,022	351,700,909

LAST YEAR
TO DATE

RESIDENTIAL	228,226,577	71,862,373	31,961,479	53,304,898	71,097,827
COMM & IND	370,441,334	46,938,641	2,962,600	57,312,471	263,227,622
PVT ST LIGHTS	804,208	152,727	14,960	237,416	399,105
PUB ST LIGHTS	2,625,863	885,396	357,022	439,172	944,273
MUNI BLDGS	8,740,381	2,274,894	1,491,155	1,697,173	3,277,159
SALES/RESALE	2,960,202	2,960,202	0	0	0
SCHOOL	12,950,073	4,619,844	2,808,363	1,662,200	3,859,666
TOTAL	626,748,638	129,694,077	39,595,579	114,653,330	342,805,652

KILOWATT HOURS SOLD TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	31.73%	10.92%	3.98%	7.46%	9.37%
COMM & IND	63.48%	7.72%	0.48%	10.23%	45.05%
PVT ST LIGHTS	0.15%	0.03%	0.00%	0.04%	0.08%
PUB ST LIGHTS	0.48%	0.16%	0.06%	0.08%	0.18%
MUNI BLDGS	1.48%	0.37%	0.27%	0.31%	0.53%
SALES/RESALE	0.40%	0.40%	0.00%	0.00%	0.00%
SCHOOL	2.28%	0.80%	0.51%	0.30%	0.67%
TOTAL	100.00%	20.40%	5.30%	18.42%	55.88%

YEAR TO DATE

RESIDENTIAL	36.83%	11.59%	5.21%	8.49%	11.54%
COMM & IND	58.73%	7.35%	0.46%	9.09%	41.83%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.41%	0.14%	0.06%	0.07%	0.14%
MUNI BLDGS	1.41%	0.37%	0.26%	0.26%	0.52%
SALES/RESALE	0.46%	0.46%	0.00%	0.00%	0.00%
SCHOOL	2.04%	0.72%	0.45%	0.26%	0.61%
TOTAL	100.00%	20.65%	6.44%	18.21%	54.70%

LAST YEAR
TO DATE

RESIDENTIAL	36.41%	11.47%	5.10%	8.50%	11.34%
COMM & IND	59.11%	7.49%	0.47%	9.14%	42.01%
PVT ST LIGHTS	0.12%	0.02%	0.00%	0.04%	0.06%
PUB ST LIGHTS	0.42%	0.14%	0.06%	0.07%	0.15%
MUNI BLDGS	1.39%	0.36%	0.24%	0.27%	0.52%
SALES/RESALE	0.47%	0.47%	0.00%	0.00%	0.00%
SCHOOL	2.08%	0.74%	0.45%	0.27%	0.62%
TOTAL	100.00%	20.69%	6.32%	18.29%	54.70%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
FORMULA INCOME
5/31/13

TOTAL OPERATING REVENUES	(P.3)	76,378,834.13
ADD:		
POLE RENTAL		0.00
INTEREST INCOME ON CUSTOMER DEPOSITS		1,187.97
LESS:		
OPERATING EXPENSES	(P.3)	(72,399,686.11)
CUSTOMER DEPOSIT INTEREST EXPENSE		(3,870.79)
FORMULA INCOME (LOSS)		<u>3,976,465.20</u>

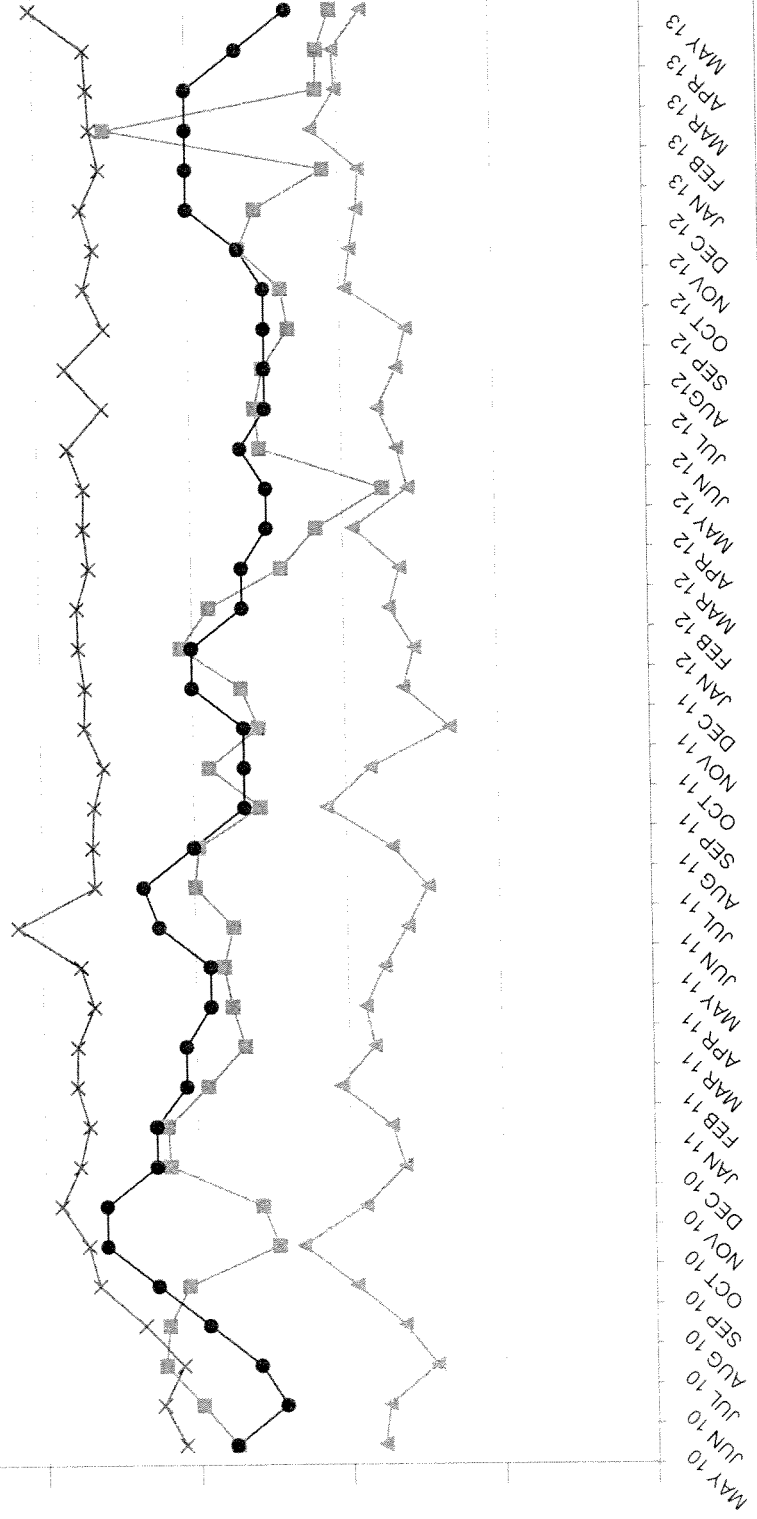
TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
GENERAL STATISTICS
5/31/13

		MONTH OF MAY 2012	MONTH OF MAY 2013	% CHANGE		YEAR MAY 2012	THRU MAY 2013
				2012	2013		
SALE OF KWH	(P.5)	49,352,432	50,204,742	-3.67%	2.58%	626,748,638	642,946,522
KWH PURCHASED		58,267,384	56,418,457	6.32%	1.75%	652,543,829	663,974,548
AVE BASE COST PER KWH		0.033518	0.037621	-7.47%	10.83%	0.034799	0.038569
AVE BASE SALE PER KWH		0.065463	0.065456	2.23%	-0.59%	0.065214	0.064831
AVE COST PER KWH		0.069534	0.078198	-7.99%	0.55%	0.084553	0.085017
AVE SALE PER KWH		0.112961	0.110484	-2.98%	-2.24%	0.117313	0.114685
FUEL CHARGE REVENUE	(P.3)	2,344,120.24	2,260,618.34	-11.71%	-1.84%	32,653,406.45	32,053,062.75
LOAD FACTOR		71.11%	53.71%				
PEAK LOAD		112,240	143,882				

kwh analysis

- ▲ base cost
- fuel cost
- fuel revenue
- * base revenue

\$0.085
 \$0.070
 \$0.055
 \$0.040
 \$0.025
 \$0.010



TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF CASH AND INVESTMENTS
5/31/13

SCHEDULE A

	PREVIOUS YEAR	CURRENT YEAR
UNRESTRICTED CASH		
CASH - OPERATING FUND	9,892,165.01	8,722,213.32
CASH - PETTY CASH	3,000.00	3,000.00
TOTAL UNRESTRICTED CASH	9,895,165.01	8,725,213.32
 RESTRICTED CASH		
CASH - DEPRECIATION FUND	3,286,854.31	2,783,545.84
CASH - TOWN PAYMENT	1,788,000.00	1,513,927.50
CASH - DEFERRED FUEL RESERVE	2,645,621.30	2,793,934.63
CASH - RATE STABILIZATION FUND	6,074,335.60	6,691,258.15
CASH - UNCOLLECTIBLE ACCTS RESERVE	200,000.00	200,000.00
CASH - SICK LEAVE BENEFITS	2,955,744.59	2,988,453.45
CASH - HAZARD WASTE RESERVE	150,000.00	150,000.00
CASH - CUSTOMER DEPOSITS	625,662.49	684,326.24
CASH - ENERGY CONSERVATION	262,121.28	322,604.15
CASH - OPEB	1,174,256.50	1,495,290.25
TOTAL RESTRICTED CASH	19,162,596.07	19,623,340.21
 TOTAL CASH BALANCE		
	29,057,761.08	28,348,553.53

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF ACCOUNTS RECEIVABLE
5/31/13

SCHEDULE B

SCHEDULE OF ACCOUNTS RECEIVABLE	PREVIOUS YEAR	CURRENT YEAR
RESIDENTIAL AND COMMERCIAL	1,818,577.57	2,989,990.35
ACCOUNTS RECEIVABLE - OTHER	130,727.23	188,360.06
ACCOUNTS RECEIVABLE - LIENS	33,509.80	28,132.35
ACCOUNTS RECEIVABLE - EMPLOYEE ADVANCES	892.14	892.14
SALES DISCOUNT LIABILITY	(219,729.88)	(262,144.63)
RESERVE FOR UNCOLLECTIBLE ACCOUNTS	<u>(317,289.25)</u>	<u>(277,860.29)</u>
TOTAL ACCOUNTS RECEIVABLE BILLED	1,446,687.61	2,667,369.98
UNBILLED ACCOUNTS RECEIVABLE	4,830,294.37	4,915,936.83
TOTAL ACCOUNTS RECEIVABLE, NET	<u><u>6,276,981.98</u></u>	<u><u>7,583,306.81</u></u>

SCHEDULE OF PREPAYMENTS

PREPAID INSURANCE	553,126.44	519,624.10
PREPAYMENT PURCHASED POWER	87,324.59	65,467.79
PREPAYMENT NYPA	240,782.65	241,849.32
PREPAYMENT WATSON	133,394.85	178,155.33
PURCHASED POWER WORKING CAPITAL	14,523.70	14,523.70
TOTAL PREPAYMENT	<u><u>1,029,152.23</u></u>	<u><u>1,019,620.24</u></u>

ACCOUNTS RECEIVABLE AGING MAY 2013:

RESIDENTIAL AND COMMERCIAL	2,989,990.35
LESS: SALES DISCOUNT LIABILITY	<u>(262,144.63)</u>
GENERAL LEDGER BALANCE	<u><u>2,727,845.72</u></u>

CURRENT	2,303,802.90	84.46%
30 DAYS	251,558.53	9.22%
60 DAYS	92,723.45	3.40%
90 DAYS	19,918.79	0.73%
OVER 90 DAYS	<u>59,842.05</u>	<u>2.19%</u>
TOTAL	<u><u>2,727,845.72</u></u>	<u><u>100.00%</u></u>

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE
5/31/13

SCHEDULE D

SALES OF ELECTRICITY:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
RESIDENTIAL SALES	1,995,338.55	1,991,361.32	29,803,994.27	30,280,691.12	1.60%
COMM AND INDUSTRIAL SALES	3,315,297.13	3,291,230.73	40,426,798.03	40,211,909.56	-0.53%
PRIVATE STREET LIGHTING	5,714.54	5,615.74	71,212.93	64,927.97	-8.83%
TOTAL PRIVATE CONSUMERS	<u>5,316,350.22</u>	<u>5,288,207.79</u>	<u>70,302,005.23</u>	<u>70,557,528.65</u>	0.36%
MUNICIPAL SALES:					
STREET LIGHTING	27,990.59	27,209.24	340,283.60	311,418.87	-8.48%
MUNICIPAL BUILDINGS	84,132.10	84,324.29	1,051,070.67	1,044,819.41	-0.59%
TOTAL MUNICIPAL CONSUMERS	<u>112,122.69</u>	<u>111,533.53</u>	<u>1,391,354.27</u>	<u>1,356,238.28</u>	-2.52%
SALES FOR RESALE	23,639.92	23,202.21	359,439.96	352,454.85	-1.94%
SCHOOL	122,782.90	123,871.39	1,473,266.50	1,469,966.65	-0.22%
SUB-TOTAL	5,574,895.73	5,546,814.92	73,526,065.96	73,736,188.43	0.29%
FORFEITED DISCOUNTS	55,711.23	57,983.14	829,403.37	879,061.52	5.99%
PURCHASED POWER CAPACITY	(9,376.89)	(275,678.84)	(119,068.00)	1,177,275.76	-1088.74%
ENERGY CONSERVATION - RESIDENTIAL	15,733.46	15,946.05	204,903.86	236,867.89	15.60%
ENERGY CONSERVATION - COMMERCIAL	32,834.39	33,502.08	352,347.48	396,080.30	12.41%
GAW REVENUE	49,363.61	50,244.73	626,798.83	642,726.33	2.54%
NYPA CREDIT	(33,019.19)	(17,730.28)	(596,184.54)	(689,366.10)	15.63%
TOTAL REVENUE	<u>5,686,142.34</u>	<u>5,411,081.80</u>	<u>74,824,266.96</u>	<u>76,378,834.13</u>	2.08%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING REVENUE BY TOWN
5/31/13

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	1,991,361.32	686,207.94	249,080.90	467,036.18	589,036.30
INDUS/MUNI BLDG	3,375,555.02	451,639.08	42,761.48	558,856.23	2,322,298.23
PUB. ST. LIGHTS	27,209.24	8,855.51	3,498.22	4,814.57	10,040.94
PRV. ST. LIGHTS	5,615.74	1,008.43	102.02	1,729.15	2,776.14
CO-OP RESALE	23,202.21	23,202.21	0.00	0.00	0.00
SCHOOL	123,871.39	44,032.20	27,155.79	16,695.05	35,988.35
TOTAL	5,546,814.92	1,214,945.37	322,598.41	1,049,131.18	2,960,139.96

THIS YEAR TO DATE

RESIDENTIAL	30,280,691.12	9,566,152.02	4,256,486.80	6,971,778.49	9,486,273.81
INDUS/MUNI BLDG	41,256,728.97	5,648,638.13	526,514.20	6,596,841.45	28,484,735.19
PUB. ST. LIGHTS	311,418.87	101,085.46	40,005.63	56,047.37	114,280.41
PRV. ST. LIGHTS	64,927.97	11,823.39	1,186.15	19,647.44	32,270.99
CO-OP RESALE	352,454.85	352,454.85	0.00	0.00	0.00
SCHOOL	1,469,966.65	521,229.40	318,518.95	194,628.57	435,589.73
TOTAL	73,736,188.43	16,201,383.25	5,142,711.71	13,838,943.33	38,553,150.14

LAST YEAR TO DATE

RESIDENTIAL	29,803,994.27	9,407,736.10	4,161,868.48	6,946,909.56	9,287,480.13
INDUS/MUNI BLDG	41,477,868.70	5,727,780.65	528,376.70	6,615,925.41	28,605,785.94
PUB. ST. LIGHTS	340,283.60	109,336.70	42,486.44	61,507.93	126,952.53
PRV. ST. LIGHTS	71,212.93	13,231.70	1,298.62	22,054.77	34,627.84
CO-OP RESALE	359,439.96	359,439.96	0.00	0.00	0.00
SCHOOL	1,473,266.50	530,136.60	314,015.63	193,965.41	435,148.86
TOTAL	73,526,065.96	16,147,661.71	5,048,045.87	13,840,363.08	38,489,995.30

PERCENTAGE OF OPERATING INCOME TO TOTAL

MONTH	TOTAL	READING	LYNNFIELD	NO. READING	WILMINGTON
RESIDENTIAL	35.90%	12.37%	4.49%	8.42%	10.62%
INDUS/MUNI BLDG	60.86%	8.14%	0.77%	10.08%	41.87%
PUB. ST. LIGHTS	0.49%	0.16%	0.06%	0.09%	0.18%
PRV. ST. LIGHTS	0.10%	0.02%	0.00%	0.03%	0.05%
CO-OP RESALE	0.42%	0.42%	0.00%	0.00%	0.00%
SCHOOL	2.23%	0.79%	0.49%	0.30%	0.65%
TOTAL	100.00%	21.90%	5.82%	18.91%	53.37%

THIS YEAR TO DATE

RESIDENTIAL	41.07%	12.97%	5.77%	9.46%	12.87%
INDUS/MUNI BLDG	55.95%	7.66%	0.71%	8.95%	38.63%
PUB. ST. LIGHTS	0.42%	0.14%	0.05%	0.08%	0.15%
PRV. ST. LIGHTS	0.09%	0.02%	0.00%	0.03%	0.04%
CO-OP RESALE	0.48%	0.48%	0.00%	0.00%	0.00%
SCHOOL	1.99%	0.71%	0.43%	0.26%	0.59%
TOTAL	100.00%	21.97%	6.97%	18.77%	52.29%

LAST YEAR TO DATE

RESIDENTIAL	40.54%	12.80%	5.66%	9.45%	12.63%
INDUS/MUNI BLDG	56.41%	7.78%	0.72%	9.00%	38.91%
PUB. ST. LIGHTS	0.46%	0.15%	0.06%	0.08%	0.17%
PRV. ST. LIGHTS	0.10%	0.02%	0.00%	0.03%	0.00%
CO-OP RESALE	0.49%	0.49%	0.00%	0.00%	0.00%
SCHOOL	2.00%	0.72%	0.43%	0.26%	0.59%
TOTAL	100.00%	21.96%	6.87%	18.82%	52.35%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED REVENUE VARIANCE REPORT
5/31/13

SCHEDULE F

	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
SALES OF ELECTRICITY:				
RESIDENTIAL	18,463,349.46	19,226,121.00	(762,771.54)	-3.97%
COMM AND INDUSTRIAL SALES PRIVATE STREET LIGHTING MUNICIPAL BUILDINGS	22,026,410.16	23,172,773.00	(1,146,362.84)	-4.95%
PUBLIC STREET LIGHTING	180,268.06	185,310.00	(5,041.94)	-2.72%
SALES FOR RESALE	204,631.12	254,024.00	(49,392.88)	-19.44%
SCHOOL	<u>808,466.88</u>	<u>820,487.00</u>	<u>(12,020.12)</u>	-1.46%
 TOTAL BASE SALES	 41,683,125.68	 43,658,715.00	 (1,975,589.32)	 -4.53%
TOTAL FUEL SALES	<u>32,053,062.75</u>	<u>28,823,033.00</u>	<u>3,230,029.75</u>	11.21%
TOTAL OPERATING REVENUE	73,736,188.43	72,481,748.00	1,254,440.43	1.73%
FORFEITED DISCOUNTS	879,061.52	960,491.00	(81,429.48)	-8.48%
PURCHASED POWER CAPACITY	1,177,275.76	1,971,975.00	(794,699.24)	-40.30%
ENERGY CONSERVATION - RESIDENTIAL	236,867.89	237,298.00	(430.11)	-0.18%
ENERGY CONSERVATION - COMMERCIAL	396,080.30	413,678.00	(17,597.70)	-4.25%
GAW REVENUE	642,726.33	650,976.00	(8,249.67)	-1.27%
NYPA CREDIT	(689,366.10)	(641,663.00)	(47,703.10)	7.43%
 TOTAL OPERATING REVENUES	 <u>76,378,834.13</u>	 <u>76,074,503.00</u>	 <u>304,331.13</u>	 0.40%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
SCHEDULE OF OPERATING EXPENSES
5/31/13

SCHEDULE E

OPERATION EXPENSES:	MONTH LAST YEAR	MONTH CURRENT YEAR	LAST YEAR TO DATE	CURRENT YEAR TO DATE	YTD % CHANGE
PURCHASED POWER BASE EXPENSE	1,952,992.83	2,122,543.60	22,707,982.18	25,609,011.96	12.78%
OPERATION SUP AND ENGINEERING EXP	50,553.46	47,504.86	473,678.54	465,633.49	-1.70%
STATION SUP LABOR AND MISC	10,524.35	6,181.07	104,149.30	68,248.57	-34.47%
LINE MISC LABOR AND EXPENSE	93,926.08	86,448.85	643,156.73	643,407.83	0.04%
STATION LABOR AND EXPENSE	41,463.01	35,427.46	425,893.18	447,159.26	4.99%
STREET LIGHTING EXPENSE	10,870.27	5,973.11	109,931.67	71,162.58	-35.27%
METER EXPENSE	16,068.53	17,255.48	218,330.81	171,444.50	-21.47%
MISC DISTRIBUTION EXPENSE	32,736.72	31,426.82	312,358.96	317,843.46	1.76%
METER READING LABOR & EXPENSE	8,126.42	3,954.95	84,453.62	71,613.43	-15.20%
ACCT & COLL LABOR & EXPENSE	115,035.18	127,123.56	1,306,784.02	1,367,162.87	4.62%
UNCOLLECTIBLE ACCOUNTS	16,000.00	8,333.33	176,000.00	91,666.63	-47.92%
ENERGY AUDIT EXPENSE	48,639.40	61,040.56	402,167.98	497,974.28	23.82%
ADMIN & GEN SALARIES	69,319.75	62,842.01	697,512.35	694,024.21	-0.50%
OFFICE SUPPLIES & EXPENSE	14,904.97	22,087.34	202,661.97	236,423.72	16.66%
OUTSIDE SERVICES	18,775.00	52,613.11	360,652.62	486,394.01	34.86%
PROPERTY INSURANCE	32,864.72	29,926.00	354,882.05	339,947.43	-4.21%
INJURIES AND DAMAGES	3,920.56	3,996.02	21,897.12	41,109.76	87.74%
EMPLOYEES PENSIONS & BENEFITS	86,095.48	151,201.54	1,145,120.23	1,886,208.59	64.72%
MISC GENERAL EXPENSE	7,187.32	6,328.84	157,067.02	150,404.43	-4.24%
RENT EXPENSE	18,569.82	24,270.45	183,891.83	195,810.04	6.48%
ENERGY CONSERVATION	25,141.95	21,912.78	465,918.34	606,870.07	30.25%
TOTAL OPERATION EXPENSES	720,722.99	805,848.14	7,846,508.34	8,850,509.16	12.80%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	227.08	227.08	2,497.90	2,497.90	0.00%
MAINT OF STRUCT AND EQUIPMT	8,600.18	11,115.03	214,120.41	130,313.24	-39.14%
MAINT OF LINES - OH	94,299.59	127,354.44	1,459,517.16	1,385,609.15	-5.06%
MAINT OF LINES - UG	17,900.35	17,881.39	167,159.09	172,707.00	3.32%
MAINT OF LINE TRANSFORMERS	9,882.25	6,728.12	47,451.61	134,838.40	184.16%
MAINT OF ST LT & SIG SYSTEM	(15.90)	(82.59)	(361.38)	(103.33)	-71.41%
MAINT OF GARAGE AND STOCKROOM	35,718.68	62,321.19	479,423.18	517,477.28	7.94%
MAINT OF METERS	3,014.23	8,304.83	74,610.06	38,991.82	-47.74%
MAINT OF GEN PLANT	11,122.07	14,402.05	85,780.74	110,483.05	28.80%
TOTAL MAINTENANCE EXPENSES	180,748.53	248,251.54	2,530,198.77	2,492,814.51	-1.48%
DEPRECIATION EXPENSE	296,027.47	305,469.18	3,256,302.17	3,360,160.98	3.19%
PURCHASED POWER FUEL EXPENSE	2,098,550.90	2,289,286.11	32,466,825.39	30,839,806.50	-5.01%
VOLUNTARY PAYMENTS TO TOWNS	113,000.00	114,000.00	1,239,186.00	1,247,383.00	0.66%
TOTAL OPERATING EXPENSES	5,362,042.72	5,885,398.57	70,047,002.85	72,399,686.11	3.36%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
5/31/13

SCHEDULE G

OPERATION EXPENSES:	ACTUAL YEAR TO DATE	BUDGET YEAR TO DATE	VARIANCE *	% CHANGE
PURCHASED POWER BASE EXPENSE	25,609,011.96	27,474,550.00	(1,865,538.04)	-6.79%
OPERATION SUP AND ENGINEERING EXP	465,633.49	426,021.00	39,612.49	9.30%
STATION SUP LABOR AND MISC	68,248.57	71,934.00	(3,685.43)	-5.12%
LINE MISC LABOR AND EXPENSE	643,407.83	608,985.00	34,422.83	5.65%
STATION LABOR AND EXPENSE	447,159.26	407,776.00	39,383.26	9.66%
STREET LIGHTING EXPENSE	71,162.58	75,561.00	(4,398.42)	-5.82%
METER EXPENSE	171,444.50	177,782.00	(6,337.50)	-3.56%
MISC DISTRIBUTION EXPENSE	317,843.46	331,996.00	(14,152.54)	-4.26%
METER READING LABOR & EXPENSE	71,613.43	69,342.00	2,271.43	3.28%
ACCT & COLL LABOR & EXPENSE	1,367,162.87	1,256,905.00	110,257.87	8.77%
UNCOLLECTIBLE ACCOUNTS	91,666.63	91,663.00	3.63	0.00%
ENERGY AUDIT EXPENSE	497,974.28	435,437.00	62,537.28	14.36%
ADMIN & GEN SALARIES	694,024.21	688,356.00	5,668.21	0.82%
OFFICE SUPPLIES & EXPENSE	236,423.72	232,877.00	3,546.72	1.52%
OUTSIDE SERVICES	486,394.01	480,684.00	5,710.01	1.19%
PROPERTY INSURANCE	339,947.43	432,223.00	(92,275.57)	-21.35%
INJURIES AND DAMAGES	41,109.76	51,943.00	(10,833.24)	-20.86%
EMPLOYEES PENSIONS & BENEFITS	1,886,208.59	1,749,011.00	137,197.59	7.84%
MISC GENERAL EXPENSE	150,404.43	192,131.00	(41,726.57)	-21.72%
RENT EXPENSE	195,810.04	194,337.00	1,473.04	0.76%
ENERGY CONSERVATION	606,870.07	639,953.00	(33,082.93)	-5.17%
TOTAL OPERATION EXPENSES	8,850,509.16	8,614,917.00	235,592.16	2.73%
MAINTENANCE EXPENSES:				
MAINT OF TRANSMISSION PLANT	2,497.90	2,750.00	(252.10)	-9.17%
MAINT OF STRUCT AND EQUIPMENT	130,313.24	103,240.00	27,073.24	26.22%
MAINT OF LINES - OH	1,385,609.15	1,091,900.00	293,709.15	26.90%
MAINT OF LINES - UG	172,707.00	271,310.00	(98,603.00)	-36.34%
MAINT OF LINE TRANSFORMERS	134,838.40	180,277.00	(45,438.60)	-25.20%
MAINT OF ST LT & SIG SYSTEM	(103.33)	8,795.00	(8,898.33)	-101.17%
MAINT OF GARAGE AND STOCKROOM	517,477.28	616,224.00	(98,746.72)	-16.02%
MAINT OF METERS	38,991.82	47,002.00	(8,010.18)	-17.04%
MAINT OF GEN PLANT	110,483.05	120,186.00	(9,702.95)	-8.07%
TOTAL MAINTENANCE EXPENSES	2,492,814.51	2,441,684.00	51,130.51	2.09%
DEPRECIATION EXPENSE	3,360,160.98	3,345,837.00	14,323.98	0.43%
PURCHASED POWER FUEL EXPENSE	30,839,806.50	28,231,610.00	2,608,196.50	9.24%
VOLUNTARY PAYMENTS TO TOWNS	1,247,383.00	1,254,000.00	(6,617.00)	-0.53%
TOTAL OPERATING EXPENSES	72,399,686.11	71,362,598.00	1,037,088.11	1.45%

* () = ACTUAL UNDER BUDGET

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
BUDGETED OPERATING EXPENSE VARIANCE REPORT
5/31/13

OPERATION EXPENSES:	RESPONSIBLE SENIOR MANAGER	2013 ANNUAL BUDGET	ACTUAL YEAR TO DATE	REMAINING BUDGET BALANCE	REMAINING BUDGET %
PURCHASED POWER BASE EXPENSE	JP	<u>30,102,742.00</u>	<u>25,609,011.96</u>	<u>4,493,730.04</u>	14.93%
OPERATION SUP AND ENGINEERING EXP	KS	468,949.00	465,633.49	3,315.51	0.71%
STATION SUP LABOR AND MISC	KS	79,813.00	68,248.57	11,564.43	14.49%
LINE MISC LABOR AND EXPENSE	KS	671,309.00	643,407.83	27,901.17	4.16%
STATION LABOR AND EXPENSE	KS	448,249.00	447,159.26	1,089.74	0.24%
STREET LIGHTING EXPENSE	KS	83,106.00	71,162.58	11,943.42	14.37%
METER EXPENSE	KS	197,329.00	171,444.50	25,884.50	13.12%
MISC DISTRIBUTION EXPENSE	KS	366,489.00	317,843.46	48,645.54	13.27%
METER READING LABOR & EXPENSE	KS	69,946.00	71,613.43	(1,667.43)	-2.38%
ACCT & COLL LABOR & EXPENSE	RF	1,385,210.00	1,367,162.87	18,047.13	1.30%
UNCOLLECTIBLE ACCOUNTS	RF	100,000.00	91,666.63	8,333.37	8.33%
ENERGY AUDIT EXPENSE	JP	479,013.00	497,974.28	(18,961.28)	-3.96%
ADMIN & GEN SALARIES	KS	761,068.00	694,024.21	67,043.79	8.81%
OFFICE SUPPLIES & EXPENSE	KS	253,950.00	236,423.72	17,526.28	6.90%
OUTSIDE SERVICES	KS	507,125.00	486,394.01	20,730.99	4.09%
PROPERTY INSURANCE	KS	471,500.00	339,947.43	131,552.57	27.90%
INJURIES AND DAMAGES	KS	56,619.00	41,109.76	15,509.24	27.39%
EMPLOYEES PENSIONS & BENEFITS	KS	1,889,623.00	1,886,208.59	3,414.41	0.18%
MISC GENERAL EXPENSE	KS	200,785.00	150,404.43	50,380.57	25.09%
RENT EXPENSE	KS	212,000.00	195,810.04	16,189.96	7.64%
ENERGY CONSERVATION	JP	697,983.00	606,870.07	91,112.93	13.05%
TOTAL OPERATION EXPENSES		<u>8,823,105.00</u>	<u>8,850,509.16</u>	<u>549,556.84</u>	6.23%
MAINTENANCE EXPENSES:					
MAINT OF TRANSMISSION PLANT	KS	3,000.00	2,497.90	502.10	16.74%
MAINT OF STRUCT AND EQUIPMT	KS	114,120.00	130,313.24	(16,193.24)	-14.19%
MAINT OF LINES - OH	KS	1,250,421.00	1,385,609.15	(135,188.15)	-10.81%
MAINT OF LINES - UG	KS	285,371.00	172,707.00	112,664.00	39.48%
MAINT OF LINE TRANSFORMERS	KS	188,500.00	134,838.40	53,661.60	28.47%
MAINT OF ST LT & SIG SYSTEM	KS	9,684.00	(103.33)	9,787.33	101.07%
MAINT OF GARAGE AND STOCKROOM	KS	672,589.00	517,477.28	155,111.72	23.06%
MAINT OF METERS	KS	47,392.00	38,991.82	8,400.18	17.72%
MAINT OF GEN PLANT	RF	131,320.00	110,483.05	20,836.95	15.87%
TOTAL MAINTENANCE EXPENSES		<u>2,817,401.00</u>	<u>2,492,814.51</u>	<u>209,582.49</u>	7.44%
DEPRECIATION EXPENSE	RF	3,650,000.00	3,360,160.98	289,839.02	7.94%
PURCHASED POWER FUEL EXPENSE	JP	30,500,000.00	30,839,806.50	(339,806.50)	-1.11%
VOLUNTARY PAYMENTS TO TOWNS	RF	1,368,000.00	1,247,383.00	120,617.00	8.82%
TOTAL OPERATING EXPENSES		<u>83,767,500.00</u>	<u>72,399,686.11</u>	<u>5,323,518.89</u>	6.36%

TOWN OF READING, MASSACHUSETTS
MUNICIPAL LIGHT DEPARTMENT
PROFESSIONAL SERVICES
5/31/2013

PROFESSIONAL SERVICES BY PROJECT

ITEM	DEPARTMENT	ACTUAL	BUDGET	VARIANCE
1 RMLD AND PENSION TRUST AUDIT FEES	ACCOUNTING	32,750.00	32,250.00	500.00
2 PENSION ACTUARIAL EVALUATION	ACCOUNTING	3,750.00	1,475.00	2,275.00
3 LEGAL- FERC/ISO ISSUES	ENERGY SERVICE	0.00	16,500.00	(16,500.00)
4 LEGAL- POWER SUPPLY ISSUES	ENERGY SERVICE	25,726.43	41,250.00	(15,523.57)
5 PROFESSIONAL SERVICES	ENERGY SERVICE	9,939.80	22,000.00	(12,060.20)
6 NERC COMPLIANCE AND AUDIT	E & O	12,720.00	14,200.00	(1,480.00)
7 LOAD CAPACITY STUDY	ENGINEERING	0.00	15,000.00	(15,000.00)
8 STROM HARDENING STUDY	ENGINEERING	0.00	50,000.00	(50,000.00)
9 LEGAL-GENERAL, MMWEC AUDIT	GM	131,524.54	137,500.00	(5,975.46)
10 LEGAL SERVICES-GENERAL	HR	130,524.69	51,600.00	78,924.69
11 LEGAL SERVICES-NEGOTIATIONS	HR	85,628.06	36,800.00	48,828.06
12 LEGAL GENERAL	BLDG. MAINT.	10,300.90	1,375.00	8,925.90
13 SURVEY RIGHT OF WAY	BLDG. MAINT.	0.00	4,587.00	(4,587.00)
14 ENVIRONMENTAL	BLDG. MAINT.	0.00	4,587.00	(4,587.00)
15 ENGINEERING SERVICES	BLDG. MAINT.	14,118.05	7,810.00	6,308.05
16 REPAIR RAMP AND DECK AREA	BLDG. MAINT.	0.00	30,000.00	(30,000.00)
17 INSURANCE CONSULTANT	GEN. BENEFIT	0.00	9,163.00	(9,163.00)
18 LEGAL	GEN. BENEFIT	994.60	4,587.00	(3,592.40)
19 SITE ASSESSMENT FOR MAJOR UPGRADE	ACCOUNTING	2,056.27	0.00	2,056.27
20 GENERAL BANKRUPTCY	ACCOUNTING	1,444.00	0.00	1,444.00
21 EXECUTIVE SEARCH- GM	GM	24,500.00	0.00	24,500.00
22 DSA BASIC CLIENT SERVICE	ENGINEERING	416.67	0.00	416.67
TOTAL		486,394.01	480,684.00	5,710.01

PROFESSIONAL SERVICES BY VENDOR

	ACTUAL
MELANSON HEATH & COMPANY	33,500.00
DOBLE ENGINEERING	416.67
HUDSON RIVER ENERGY GROUP	2,895.80
STONE CONSULTING INC.	3,750.00
RUBIN AND RUDMAN	62,421.01
UTILITY SERVICES INC.	12,720.00
DUNCAN & ALLEN	105,244.06
CHOATE HALL & STEWART	207,387.16
MENDERS TORREY & SPENCER	12,385.55
RICHARD HIGGINS ARBITRATOR	2,710.00
GARRY WOOTERS ARBITRATOR	2,812.00
MICHAEL BROWN ARBITRATOR	2,538.99
WILLIAM F. CROWLEY ATTORNEY	2,280.00
CMEEC	7,044.00
JM ASSOCIATES	1,732.50
DACRI & ASSOCIATES LLC	24,500.00
COGSDALE	2,056.27
TOTAL	486,394.01

RMLD
 DEFERRED FUEL CASH RESERVE ANALYSIS
 5/31/13

DATE	GROSS CHARGES	REVENUES	NYPA CREDIT	MONTHLY DEFERRED	TOTAL DEFERRED
Jun-12					2,270,044.48
Jul-12	3,581,715.28	3,492,843.61	(61,106.90)	(149,978.57)	2,120,065.91
Aug-12	3,578,611.20	2,914,978.35	(44,365.80)	(707,998.65)	1,412,067.26
Sep-12	2,646,309.32	3,486,749.45	(47,478.80)	792,961.33	2,205,028.59
Oct-12	2,595,375.45	2,389,147.98	(48,781.28)	(255,008.75)	1,950,019.84
Nov-12	2,744,817.28	2,740,129.47	(22,566.16)	(27,253.97)	1,922,765.87
Dec-12	2,868,712.69	2,987,105.82	(68,965.36)	49,427.77	1,972,193.64
Jan-13	2,523,166.59	3,076,267.45	(70,691.63)	482,409.23	2,454,602.87
Feb-13	3,397,709.79	3,030,833.21	(77,841.37)	(444,717.95)	2,009,884.92
Mar-13	2,393,560.37	2,979,311.50	(116,734.96)	469,016.17	2,478,901.09
Apr-13	2,220,542.42	2,695,077.57	(113,103.56)	361,431.59	2,840,332.68
May-13	2,289,286.11	2,260,618.34	(17,730.28)	(46,398.05)	2,793,934.63

RMLD
STAFFING REPORT
FOR FISCAL YEAR ENDING JUNE, 2013

	13 BUD TOTAL	JUL 12	AUG 12	SEP 12	OCT 12	NOV 12	DEC 12	JAN 13	FEB 13	MAR 13	APR 13	MAY 13
GENERAL MANAGER												
GENERAL MANAGER	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
HUMAN RESOURCES	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
COMMUNITY RELATIONS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
BUSINESS												
ACCOUNTING	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CUSTOMER SERVICE	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
MGMT INFORMATION SYS	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
MISCELLANEOUS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	17.00	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75	16.75
ENGINEERING & OPERATIONS												
AGM E&O	2.00	2.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
ENGINEERING	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
LINE	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
METER	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
STATION	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
TOTAL	40.00	39.00	38.00	38.00	38.00	38.00	39.00	39.00	39.00	39.00	39.00	39.00
PROJECT												
BUILDING	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
GENERAL BENEFITS	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TRANSPORTATION	-	-	-	-	-	-	-	-	-	-	-	-
MATERIALS MGMT	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
TOTAL	8.00	6.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
ENERGY SERVICES												
ENERGY SERVICES	5.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50	5.50	4.50	4.50	4.50
TOTAL	5.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50	5.50	4.50	4.50	4.50
RMLD TOTAL												
	74.50	70.25	71.25	71.25	71.25	71.25	72.25	73.25	73.25	71.25	71.25	71.25
CONTRACTORS												
UG LINE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TOTAL	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
GRAND TOTAL												
	76.50	72.25	73.25	73.25	73.25	73.25	74.25	75.25	75.25	73.25	73.25	73.25

RMLD
 BUDGET VARIANCE REPORT
 FOR PERIOD ENDING MAY 31, 2013

DIVISION	ACTUAL	BUDGET	VARIANCE	CHANGE
ENGINEERING AND OPERATIONS	3,967,130	3,805,759	161,372	4.24%
ENERGY SERVICES	1,141,763	1,155,603	(13,841)	-1.20%
GENERAL MANAGER	894,193	799,282	94,911	11.87%
FACILITY MANAGER	3,461,185	3,532,842	(71,657)	-2.03%
BUSINESS DIVISION	8,567,107	8,441,951	125,156	1.48%
 SUB-TOTAL	 <u>18,031,378</u>	 <u>17,735,437</u>	 <u>295,941</u>	 1.67%
 PURCHASED POWER - BASE	 25,609,012	 27,474,550	 (1,865,538)	 -6.79%
 PURCHASED POWER - FUEL	 30,839,807	 28,231,610	 2,608,197	 9.24%
 TOTAL	 <u><u>74,480,196</u></u>	 <u><u>73,441,597</u></u>	 <u><u>1,038,599</u></u>	 1.41%

BOARD MATERIAL AVAILABLE
BUT NOT DISCUSSED



TOWN OF READING MUNICIPAL LIGHT DEPARTMENT
RATE COMPARISONS READING & SURROUNDING TOWNS

June-13

	RESIDENTIAL 750 KWH's	RESIDENTIAL-TOU 75/25 Split 1500 KWH's	RES. HOT WATER 1000 KWH's	COMMERCIAL 7,300 KWH's 25,000 KW Demand	SMALL COMMERCIAL 1,080 KWH's 10,000 KW Demand	SCHOOL RATE 35000 KWH's 130.5 KW Demand	INDUSTRIAL - TOU 109,500 KWH's 250,000 KW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$94.76	\$166.99	\$109.46	\$836.96	\$163.85	\$3,880.93	\$10,562.82
PER KWH CHARGE	\$0.12634	\$0.11132	\$0.10946	\$0.11465	\$0.15171	\$0.11088	\$0.09646
NATIONAL GRID							
TOTAL BILL	\$108.55	\$202.60	\$144.73	\$976.70	\$139.12	\$4,305.17	\$11,942.83
PER KWH CHARGE	\$0.14474	\$0.13507	\$0.14473	\$0.13380	\$0.12882	\$0.12300	\$0.10907
% DIFFERENCE	14.56%	21.33%	32.22%	16.70%	-15.09%	10.93%	13.06%
NSTAR COMPANY							
TOTAL BILL	\$121.38	\$221.15	\$159.69	\$1,098.30	\$165.32	\$6,099.05	\$14,625.02
PER KWH CHARGE	\$0.16183	\$0.14743	\$0.15969	\$0.15045	\$0.15307	\$0.17426	\$0.13356
% DIFFERENCE	28.09%	32.44%	45.89%	31.22%	0.90%	57.15%	38.46%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$90.84	\$173.35	\$117.19	\$935.82	\$148.63	\$4,722.53	\$10,802.06
PER KWH CHARGE	\$0.12113	\$0.11557	\$0.11719	\$0.12819	\$0.13762	\$0.13493	\$0.09865
% DIFFERENCE	-4.13%	3.81%	7.07%	11.81%	-9.29%	21.69%	2.26%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$13,330.75
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.12174
% DIFFERENCE	5.29%	18.80%	21.18%	14.64%	2.80%	22.73%	26.20%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.99	\$203.67	\$137.88	\$1,045.84	\$168.46	\$4,895.58	\$13,519.62
PER KWH CHARGE	\$0.13998	\$0.13578	\$0.13788	\$0.14327	\$0.15599	\$0.13987	\$0.12347
% DIFFERENCE	10.79%	21.97%	25.97%	24.96%	2.82%	26.14%	27.99%

Jeanne Foti

From: Kevin Sullivan
Sent: Tuesday, May 28, 2013 8:31 AM
To: RMLD Board Members Group
Cc: Jeanne Foti
Subject: FW: Account Payable Questions - May 24

Below are the answers to the A/P questions received this week.

Kevin Sullivan

Reading Municipal Light Department
Interim General Manager

From: Jeanne Foti
Sent: Tuesday, May 28, 2013 6:27 AM
To: Kevin Sullivan
Subject: Account Payable Questions - May 24

Stempeck

1. Office Paper Recovery System – Is this solar array up & running?
Response: Office Paper Recovery's solar array is up and running. Signed off by wire inspector on May 14, 2013
2. JCM Realty – Is it common practice for renter's to pay real estate taxes? – Not included in the rent??
Response: The lease agreement states that RMLD will pay for 26% of the Real Estate taxes, see agreement dated 7/15/94 section "RENT" listing RMLD's financial responsibilities.
3. Sullivan - \$400+ per tire? Specialized?
4. **Response:** These tires are for one of the line trucks and cost more than a tire for a standard vehicle. Sullivan tire is on the State bidders list meaning the state has negotiated competitive pricing which we leverage.

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone
781-942-2409 Fax

Please consider the environment before printing this e-mail.

Jeanne Foti

From: Jeanne Foti
Sent: Wednesday, June 19, 2013 10:33 AM
To: RMLD Board Members Group
Subject: Account Payable Warrant and Payroll - No Questions

Good morning.

In order to save paper in the upcoming Board Books on the Account Payable Warrant and Payroll there were no questions for the following:

Account Payable Warrant – No Questions
May 31, June 7, June 14

Payroll – No Questions
June 3 and June 17

Thanks.

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone
781-942-2409 Fax

Please consider the environment before printing this e-mail.