

Light Commissioners' Meeting January 10th, 2013

Members present were: Dana Blais, Gregg Edwards, Chris Stewart

Employees present were: John Driscoll, Tom Berry

The meeting was called to order at 6:15 p.m. by Dana.

The agenda was approved on a motion by Gregg, seconded by Chris, 3-0 in favor.

The December 11th, 2012 minutes were approved on a motion by Gregg, seconded by Chris, 3-0 in favor.

Old Business:

The Manager updated the Board on the status of the Templeton Wind Turbine Cost Certification being done by Braver, PC. He had attended a meeting at MMWEC with Ron DeCurzio and Carol Martucci of MMWEC and also Peter Chatellier of Braver, PC. This meeting was the idea of the Manager in order to get some sort of progress report on the cost certification and outline job responsibilities for it. The more than 2-year delay, in the opinion of the Manager, was still due to the lack of any up-to-date general ledger accounting system at MMWEC combined with the staffing changes at both MMWEC and Braver, PC over the last three years.

The Manager felt confident that a status report from Braver, PC would be available in one month's time and possibly the full report in a few months. He had established a start and stop time for this certification; from the project's early development in 2004 to its commercial generation start in September of 2010. The Manager's stated objective for said cost certification was to have all of the invoices paid out by the Light Plant to various vendors accounted for and total a number resembling the final \$3.8M figure for

research & development, capital planning, purchasing, construction, testing & commissioning.

The Manager updated the Board on the status of completion of the upcoming TMLWP website. There had been delays associated with both the Christmas & New Year's holidays and also the late issuance of a \$1,100 check as a down payment to Keene Web Works (this was due to late vendor warrant processing by the Town). He had e-mailed Rebecca Colburn many documents to date including rates, agendas, minutes, policies, terms & conditions and rules & regulations for both the Light & Water Plants. The Manager felt confident that within the next 6 months that he would be able to send a letter to all of the TMLWP customers informing them that there was a new company website. Gregg asked the Manager to get a more firm date and the Manager agreed to do that.

New Business:

The Manager and Superintendent had prepared a Bid Package for the procurement of two new distribution circuit reclosers for King Phillip Trail and Depot Road. The bid package included a rather extensive specification listing (24 pages) drafted by Dave Columbo of Power Engineers, LLC in order to ensure that the TMLWP wouldn't (again) end up with a sectionalizing rather than a reclosing unit. The Bid Opening would be February 1st of 2013 at 1:00 p.m.

The Manager included a new proposed rate package for the Board to consider for several customer charge reductions and one new rate class, C-4/M-4. The Manager stated that when he had done the split-up of the C-3/M-3 rate class back in April of 2011 that he had done it based on which commercial customer, small or medium, already was metered with a demand meter. In retrospect, it seemed like a more sensible approach to split the C-3/M-3 customers based on average monthly KWH usage rather than metering equipment installed on-site. For this reason, the Manager proposed a new C-4/M-4 rate class for the purposes of re-locating the existing C-3/M-3 Part II customers to it, thereby allowing the Staff Accountant to breakdown further her monthly sales summary.

The result of this would be all C-3/M-3 Part I customers would now be classified as small commercial/industrial without the monthly demand charge, under 2,000 KWH monthly. All of the C-4/M-4 Part II customers would now be classified as medium commercial/industrial with the monthly demand charge, over 2,000 KWH monthly but not exceeding 10,000 KWH monthly. The bulk of the other changes applied to reducing \$4.00 customer charges to \$3.00, \$8.00 to \$6.00 and also \$12.00 to \$6.00. On a motion by Chris, seconded by Gregg, 3-0 in favor the Board voted to accept the new electric rate changes proposed by the Manager.

The Manager requested of the Board a vote to authorize him to create a new position at the TMLWP; the "Business Manager". He included for them a letter detailing the reasons why he felt that this was necessary. The "Office Manager" position had been occupied by Kathy Webster since 1996, and at no time neither had she ever joined the I.B.E.W. Local 104 Union nor had she paid dues to them. Due to the supervisory nature of her job with union light & water employees and also due to the sometimes confidential nature of the information which is shared between the Office Manager and the General Manager, by definition this position should be a salaried, exempt and non-union one.

Many of the other MA municipal light plants have business managers with this very job description, all of whom are salaried and exempt employees of their respective plants. The expectation was that the Office Manager would remain open indefinitely and all of its responsibilities would be shifted to the Business Manager. Before the vote, Selectman Julie Farrell stated to the Manager that this position would have to be internally posted first for two weeks before Kathy Webster was to become the Business Manager. The Manager vehemently disagreed, as this was to be newly-created salaried exempt position not within the collective bargaining unit, which the Manager has the authority to award to an existing employee of his choosing who meets the necessary criteria.

At this time the Manager excused himself from the Open Session to place a call to the TMLWP's attorney, at which time his suspicions were confirmed and, in fact, this new position, once created need not be internally posted. However, due to the long-standing transparency of the TMLWP, the Board felt that a vote to create this new position should include a condition that it be posted internally for two weeks first. On a motion by Gregg, seconded by Dana, 3-0 in favor the Board authorized the Manager to create the position "Business Manager" under the condition that it be internally posted for two weeks prior to awarding it (although this was not necessary).

The Manager had inquired of twenty-eight other MA municipal light plants about their availability and/or eligibility of low-income residential electric rates. These were programs above and beyond (if applicable) the usual early-pay discount, which is 10% within 10 days at the TMLWP for the Light Plant. Of the twenty-eight municipal light plants queried, only 8 of them utilized such programs: Belmont, Concord, Mansfield, Merrimac, Peabody, Shrewsbury, Taunton, Wellesley & West Boylston. The Manager did point out that all of these other eight towns had a median household income much more than Templeton did. He further illustrated with the first two municipalities, Belmont and Concord, the variance between the normal and the assistance residential rate classes. In Belmont, an L-1 customer would pay \$77.05 for 750 KWH while an A-1 customer would pay \$124.46 for the same. Similarly, in Concord, an R-4 customer would pay \$71.15 while an R-1 customer would pay \$115.5 for the same.

The Manager stated that the Light Commission would have to relay to him to what depth to go into the low income residential rate for Templeton and also any criteria by which people could be eligible. Gregg suggested combining these efforts with a new rate study for 2013 to establish a baseline for the regular residential rate before formulating an assistance residential rate. The Manager added that it had been 5 years since PLM did the last rate study for the Light Plant, so it was in fact time for an updated one.

Dana had asked of the Manager to look into the possibility of keeping our current monthly capacity payments to the MMLDWECC at \$34,324 and utilizing the surplus capacity revenue to pay down the principle of the \$994K Loan quicker. The Manager had discussed this with Carol Martucci who had cautioned him of a 1% early pay-down penalty from Peoples' Bank, but it wasn't clear whether the 1% penalty was a one-time penalty on the existing principle or a 1% penalty going forward, which would be costly. The Manager would report back to the Board on this when he the figures back from Carol Martucci. For the time being, the monthly capacity payments to the MMLDWECC will go to \$29,765 this month.

At this time [8:45 p.m.] a roll call vote was taken in the Open Session for the Light Board to enter into Executive Session for the purpose of discussing strategy with respect to collective bargaining or litigation and the Light Commission believes that an Open Session would have a detrimental effect on the bargaining or litigating position of the public body.

Gregg – “aye” Chris – “aye” Dana – “aye”

There being no other Open Session business to discuss, on a motion by Dana, seconded by Gregg, 3-0 in favor the Open Session Light Meeting adjourned at 9:40 p.m.

Respectfully Submitted,

John M. Driscoll
General Manager