86 Bridge Street, P.O. Box 20, Baldwinville, MA 01436-0020
TEL: 978-939-5323
FAX: 978-939-4309
John M. Driscoll, *General Manager*

Light Commissioners' Meeting
March 1, 2016

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

Employees present were: John Driscoll, Tom Berry

The meeting was called to order at 6:45 p.m. by Dana.

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

Old Business:

The Manager updated the Board on the status of TMLP collections as it applied to several delinquent accounts that had been the subjects of 15 different small claims court trials. To date the TMLP had 2 of the 15 delinquent accounts paid off in full in the amount of $2,503 by the previous electric account holders. It turned out that one of them had had no power at their residence for over a year and needed it again; the other was renting a new property in town and was not allowed to sign up for electric service till his previous debt to the TMLP were covered. The Manager had filed Notices of Dismissal to the Winchendon District Court on behalf of these two individuals.

Manfred Franz, a former resident of 33 Schoolhouse Road in East Templeton, had been located at a new mailing address in Winchendon after the Manager had filed a change-of-address request to the Templeton Post Master. The Worcester County Sheriff's Office would now serve Mr. Franz with a capias arrest warrant to appear again in court to settle up his $4,140 owed to the TMLP.

Also, Natasha Kennedy and Jason Kavanagh, both formerly residents of 107 Patriots Road in East Templeton had, for the moment, gone "of the grid". The Manager was weighing the costs of actually finding their new mailing addresses so that these two could be served with capias arrest warrants against their (collective) debt of $3,706. The change-of-address requests to the Templeton Post Master had already been tried by the Manager and these two appeared to be gone. This debt would likely be written off by the TMLP at some point but these two individuals would have court judgments against them till their respective debts to the TMLP were paid off. (These two were mentioned together because after Kennedy ran up a $2,000+ balance and had service shut off, Kavanagh moved in with her and ran up a $1,400+ balance before they departed together.)

New Business:

The Superintendent had prepared for the Board and for the Manager a list of surplus parts that the TMLP had purchased from Blue Sky Wind, a third-party contractor working in RI. Blue Sky Wind had been tasked by the Town of Portsmouth, RI, to demolish and remove the existing AAER-1650 wind turbine that had experienced a gearbox failure. The Manager stated that the TMLP had paid Blue Sky Wind $17,300 in total for surplus parts that were all compatible with the

AAER-1650 unit that was in the TMLP's use. He said that to purchase all of these parts would likely be anywhere from 5-10 times the cost with unreasonable lead times, no doubt from overseas shipping points of origin.

The Manager had provided the Board with copies of the latest unfunded mandate of compliance from the General Accounting Standards Board (GASB), #68. This new guideline had to do with claiming the TMLP's pension liability differently at each calendar year's end, in a manner that would greatly and adversely affect the light department's bottom line revenue position on December 31 of each new coming year (starting with 2015). In the Manager's estimate, he saw this new guideline lowering the light department's bottom line revenue position for 2015 by roughly $148,000, particularly worrisome in a year when the TMLP would be lucky to break even after KWH sales down from 2014. He did not want to attempt an explanation to the Board of this new GASB 68 requirement, but instead wanted someone from Goulet-Salvidio to attend a light meeting in the future to explain it.

This brought the Manager into the next topic for discussion, the huge increase in light audit costs from 2012 into 2013 and 2014. He attached a spreadsheet which illustrated an average cost from Braver of $18,625 for the light department's financial audits in 2009, 2010, 2011 and 2012 (including the wind subsidiary) and compared this to Goulet-Salvidio's average cost for the same in 2013 and 2014 of $29,600. The Manager had reached out via e-mail on February 29, 2015 to Jim Goulet, one of the Partners at Goulet-Salvidio to inquire about these newer higher costs for the same type of audit. As of tonight he had heard no response back. The Board agreed with the Manager that this new audit pricing was out of control and wanted the Manager to pursue this issue to the cause; the Manager would follow up with them on this matter at the April meeting.

(The Manager requested that the Board table the discussion on CDL and Hoisting License renewals till Executive Session as it was directly related to the TMLP's ongoing union negotiations with LU104.)

The Manager had hired Steve Doucette to re-draft the TMLWP's policy on company phones and personal phones for all of its 16 light and water employees. The Manager cited two issues that had surfaced within the last few weeks. The first issue was excessive company and personal phone use by some office staff (for reasons other than work), which was beginning to become a distraction to other office staff and to customers entering the light and water office. The second, and more serious issue, was personal phone use (for reasons other than work) by one of the operations personnel who was supposed to be a lineman on the ground looking out for the lineman in the air. This type of distraction simply could not be allowed and the Manager stressed the importance to strengthen the existing phone policy at TMLWP before there is serious injury.

The Board looked over the proposed changes to the phone policy and Chris had noticed that the language looked to prevent operations personnel from even having personal phone in their possession while on the job site. The Manager had not noticed this discrepancy from he had envisioned at the onset, which was operations personnel being able to use their personal phones during their designated break times (30 minutes in the a.m., 20 minutes in the p.m.). He acknowledged that this was improper and he would re-visit this issue with the Board at the April meeting with a new draft phone policy.

The Manager combined the next two agenda items, the LED bulbs and the ACH program. He had purchased through MMWEC roughly 500 LED light bulbs which were meant to be a replacement for a 60-watt incandescent bulb. The demand on the LED equivalent was only 9 watts and had cost the TMLP $1.99 each to purchase. The Manager stated that such an LED bulb normally retails for $4-$5 each. He proposed an incentive program in an effort to get more of the light department customers signed up with the ACH program; each new customer coming into the office to sign up could be given 3 of these new LED bulbs.

The Manager had researched the light department's cost per transaction for ACH and found it to be about $0.11; he compared this to an average per-transaction cost for credit and debit payments of $3.51. However, the goal was to reduce the number of checks being mailed to or being hand-delivered to the office or its drop-box for payment. The TMLP still had 84% of its customers paying by paper check in the mail or over the counter, compared to 9% paying via the ACH program and never missing the early-pay discount. The Board felt that this was a good idea and encourage the Manager to go ahead and get it started.

The Superintendent had prepared a bid package for the purchase of a new three-reel cable trailer for the light department and would be opening bids in a few weeks. Copies of the bid package were given to the Board for their review and a vote to purchase the trailer would be anticipated at the April meeting. The Manager and the Superintendent both thought that this trailer would end up costing roughly $45,000.

The Manager presented to the Board a 2-page listing of electric accounts to be abated this December 2016. He explained the reason for their being so many was that he had not reviewed them in quite some time and normally the Board voted every December to abate a few electric accounts. The Manager had not set this up since he took over in December 2010 and he apologized for the oversight; he felt that the Board would want some time to look over the abatement list in advance of the December meeting.

There were four (4) hand-outs that the Manager had prepared for the Board that did not particularly require any specific discussion:

- January & February 2016 KWH Sales/Revenues
- December 2015 & January 2016 Power Supply
- January & February 2016 Wind Generation
- March 2016 Residential Electric Rate Comparisons

At this time a roll call vote was taken as follows (8:15 p.m.):

"A motion was made by Dana, seconded by Chris, 3-0 in favor for the Board to enter into Executive Session to conduct strategy sessions in preparation for negotiations with union personnel. The Light Commission believed that if it were to conduct such strategy sessions in Open Session it would have a detrimental effect on the Light Plant's collective bargaining position. It was announced that the Board would later reconvene in Open Session but only for the purpose of Adjournment."

Dana – Aye *Gregg – Aye* *Chris – Aye*

There being no other Open Session business to discuss, on a motion by Gregg, seconded by Chris, 3-0 in favor the Light Commissioners' Meeting adjourned at 9:00 p.m.

Respectfully Submitted,

John M. Driscoll

General Manager