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John M. Driscoll, *General Manager*

Light Commissioners' Meeting May 10, 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.

The minutes of April 6, 2016 were approved on a motion by Chris, seconded by Gregg, 3-0 in favor.

Old Business:

The Manager and the Board had a discussion about the 2015 Light Audit conducted by Goulet-Salvidio & Associates (GSA). There had been a draft prepared in advance of tonight's meeting showing a net income of just **\$22,407**. The Manager then expanded this figure to show that after the Light Plant had subtracted its \$42,818 contribution to the Town for electricity, the actual net income was closer to **(\$20,411)**. He stated that this figure was an acceptable given the past year's declined KWH sales and number of occupied residences.

The Manager had e-mailed the principal accountant at GSA several months earlier to express the Light Plant's disappointment at both the increases audit costs moving from GSA to Braver, but even more so because of the DPU Report and/or Financial Statements not being provided to the Light Plant sooner than Braver had done so. The Manager did highlight that in lieu of any kind of response from GSA on his past e-mail, he felt that they felt it necessary to respond with actions rather than words. The 2015 DPU Report had been completed and filed by March 31, 2016, the state deadline, and the Light Plant's 2015 draft audit results had been provided to the Manager in mid-April 2016.

There was a discussion on what the Light Plant should do for its FY 2017 financial contribution to the Town. The Manager had heard from the Town Administrator (TA) about an idea involving the reclamation of Bridge Street. The Town had received a price quote of **\$126,000** to do this and the Manager had said that this would be a lot for

the Light Plant to absorb after the year it had just had in 2015. The Manager mentioned the possibility of segmenting such a project in a 2-3 year time span to the TA; he was not certain if that would be feasible or not. In the interim the TA asked if the Light Plant could default to doing what they had done for FY 2016 and pay the town's electricity bills for roughly \$43,000. The Manager stated that he would ask this of the Board. At this time a vote was taken as follows:

"On a motion by Chris, seconded by Gregg, 3-0 in favor the Board voted to fund the Town of Templeton's electric bills for its municipal buildings AND its municipal and street lighting for the period beginning July 1, 2016 and ending June 30, 2017."

Dana – Aye

Gregg – Aye

Chris – Aye

There was some discussion had on a proposed new building between the light and water office and the substation to add to TMLWP's storage capacity for cable and transformers. Dana and the Superintendent agreed that it might be a good starting point to get a firm quote on a new steel building of the desired size to go in the same space. There was some discussion on whether or not a new concrete floor should be part of it or not, but the Board in general was in agreement that this would be a good improvement project for TMLWP. The Manager stated that this would be a depreciable expense and that there were adequate funds in the Light Plant's depreciation fund at this time.

The Manager and the Superintendent had already informed the Board of their desire to put into place a total AMI system in lieu of the TMLWP's hiring another full-time meter technician. They both felt that a light department of Templeton's size did not warrant such a position, especially since the TMLWP had moved to an AMR system in 2004 for its 3,000 residential meters. Their best estimate put actual meter reading, disconnects, reconnects and meter testing at 50% of actual hours worked by a meter technician here. The lawn maintenance portion of the recently retired meter technician had already been taken care of with a local landscaping company for \$80 per week from mid-May thru mid-October.

The Superintendent's research with three different AMI system vendors had yielded an estimated \$700,000 in project costs, or roughly \$231 per meter location. This figure included remote disconnects being installed at every residential meter, and the Manager stated that this \$231 figure was in line with other light department's installed cost per meter location in the state. The Board was enthusiastic about such a project and the prospect of saving over \$5,000,000 over 32 years by not acquiring another full-time light employee. Both the Manager and the Superintendent would continue down this path and would be making decisions on just how much meter data they would need or want to be provided by such a system.

New Business:

The Manager told the Board that he thought the TMLWP would be much better served at this time if they acquired a new full-time Groundman in place of the recently retired Meter Technician. He and the Superintendent would be starting the hiring process once again and would be placing an advertisement in the Worcester T&G for a Groundman. The Manager did express an interest in first negotiating with LU104 to attempt to lower the entry-level hourly wages for Groundman Step 3 and Step 4 of \$23.58 per hour. He had been in contact with both the Sterling and the West Boylston light departments to find out their corresponding entry-level wages for such a lineman position, as both local systems were so close to Templeton's in size.

The Manager stated that the \$23.58 was over by roughly 20% and added that the \$23.58 per hour would translate to \$40.09 when benefits were included (health, dental & life insurance, retirement, clothing, training, licensure, etc.). The Board agreed with the Manager in that it was worthwhile to attempt to somehow negotiate the Step 3 and Step 4 Groundman hourly wages down before the TMLWP advertised for this position and had to inform applicants of the job's compensation. The TMLWP would not advertise for a Groundman until the hourly wage issue had been addressed with LU104.

The Manager had been in contact with New Horizon Communications (NHC) and received proposals from them to switch telephone service providers from Earthlink to NHC. At present the TMLWP was paying Earthlink \$935 per month for voice and data lines for all of the light and water departments' needs, and NHC was offering the same level of service for only \$634. The Manager said that a monthly savings of \$301 was possible here (\$175 for light, \$126 for water). He stated that the catalyst for companies recently getting away from Earthlink was their level of customer service, and although the TMLWP had not yet experienced any such dealings with NHC, they had experienced plenty (negatively) with Earthlink.

The Manager told the Board that the existing equipment downstairs could remain, and that switching from Earthlink to NHC was more of a paper transaction than anything else; basically a new vendor account need be set up here. The Board agreed that any savings to the TMLWP was a plus, especially with the phone industry being so competitive now.

The Manager and the Board had a discussion about some pending surplus funds coming from Seabrook Project 6 in July 2016 and July 2017. The TMLWP would be receiving surplus funds totaling roughly \$100,000 this July and another \$500,000 next July. The \$100,000 would be the result of the normal amount of surplus funds from Millstone Project 3 and Seabrook Projects 4, 5 and 6. The Manager stated that the \$500,000 coming next year was the result of an over-payment to the Seabrook Pension Fund by the Project 6 Participants dating back several years. This would mean either a check issued to the Light Plant or a free month of wholesale electricity in July 2017; the Manager said that the Board could make that decision next June.

Both of these July 2016 and July 2017 nuclear project credits were independent of ALL of the Light Plant's nuclear debt being paid off by June 2019, which will substantially reduce the Light Plant's capacity costs for both Millstone 3 and Seabrook Projects 4, 5 and 6.

There were five (5) hand-outs that the Manager had prepared for the Board that did not particularly require any specific discussion:

- March 2016 Power Supply
- April 2016 Wind Generation
- April 2016 KWH Sales/Revenues
- May 2016 Residential Rate Comparisons
- Q1 2016 MMWEC Commercial/Industrial 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 have such discussions and/or 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