

Open Session Minutes of April 30, 2014

Meeting of the Ashburnham Municipal Light Plant Board

Present Commissioners: Richard Ahlin, Mark Carlisle & Kevin Lashua
Stan Herriott, Manager

Others Present: Pam Hamilton, Mike Osterhout & Gerald Deslatte

Chairman Ahlin called the meeting to order at 4:30 P.M.

Chairman Ahlin recognized our guests. They thanked the Board for giving them the time to present their products. They began the presentation of the PLEX metering system which is the next generation power line carrier system, they pointed out the benefits of moving to the two way real time system from a one way system. They reviewed the equipment required to move to the new PLEX system from the existing TS1 system. They also reviewed the cost associated with moving to the new equipment and the incentives they were offering. The total incentive offered was \$25,000.00 bringing the total overall cost down to \$384,897.00. The Commissioners thanked them for their presentation and stated they would take it under advisement. Ms. Hamilton, Mr. Osterhout, and Mr. Deslatte exited the meeting at 5:40 P.M.

Next on the Agenda was Carlos Limbert who was disputing a reconnection fee of \$150.00. He felt that he had not been treated fairly. He stated he felt that he had a good payment history and

really tried to keep up, business was slow he was doing the best he could. He also felt that he should be given a courtesy call prior to having the power shut off. He was asking the Commissioners to wave the \$150.00 reconnection fee. The Commissioners assured Mr. Limbert that all the customers of the Ashburnham Municipal Light Plant were treated equally under the Terms and Conditions on file with the Department of Public Utilities. It was up to the customers to make a call and set up a payment plan with the office if there was a problem with meeting their obligation. He was assured that the Light Department always followed the rules that required three letters prior to any customer being considered for shut off, and that should be sufficient time for any customer to call and make arrangements. The Commissioners denied his request for relief of the \$150.00 reconnection fee.

A motion was made by Chairman Ahlin and seconded by Commissioner Lashua to deny the request. The vote was unanimous.

Mr. Limbert asked for a letter stating the denial so he could pursue it further. Chairman Ahlin said that he would see that a letter was prepared stating the outcome of the meeting. Mr. Limbert thanked the Commissioners and exited the meeting.

Customer or Citizen Comments: No other customer or citizen comments were made.

Chairman Ahlin called for a motion to approve the Minutes from December 18, 2013. The motion was made by Commissioner Carlisle and seconded by Commissioner Lashua. The vote was two in favor and one abstention. Chairman Ahlin abstained because he was not in attendance for that meeting.

Chairman Ahlin called for a motion to approve the March 26, 2014 Minutes and the April 12, 2014 Minutes. A motion was made by Commissioner Carlisle and seconded by Commissioner Lashua. The vote was two in favor with Commissioner Lashua abstaining because he was not in attendance at either meeting.

Chairman Ahlin opened a discussion about the establishment of post-retirement benefits trust through MMWEC. This trust has been recently set up to allow Municipal Light Departments to set up a post-retirement trust to pay for post retire benefits such as healthcare separate from any trust the town might establish. The actuarial study recommended that the trust be funded to 1 million dollars over the next 20 years. Manager Herriott stated his recommendation is that the trust be established by moving \$200,000.00 from the Reserve Trust already held at MMWEC into the new post retirement trust.

After some discussion the Commissioners agreed to establish the trust. A motion was made by Chairman Ahlin and seconded by Commission to Lashua to sign the certificate to establish the trust Dated April 30 , 2014. The vote was unanimous.

Manager Herriott reported the receipts are running about 1% under projections with expenses running about 1% over projections.

Receipts through March	\$1,476,300.00
Expenses through March	\$1,511,128.00

Manager Herriott opened a discussion on his proposed increase in rates. He went on to say that the high costs experienced this past winter is driving his discussion to consider a rate increase. This winter electrical costs at times were 3 times the normal cost of a megawatt hour of electricity and the cost is expected to remain that high for the next several winters. This is largely a result of the retirement of several major generation plants in New England, as well as the increased reliance on natural gas as a fuel to generate electricity. Presently in New England we rely on about 50% of our electricity to be generated with natural gas, and when natural gas is in short supply due to pipe line capacity issues the gas fired units have to switch to more costly fuel oil. Within the industry it is generally expected it will take 3 to 5 years before there is any chance of additional pipeline capacity to be sited and built. Because of this situation we are expecting wholesale electricity costs to exceed 4 times higher than we would normally expect the cost to be in the winter months. Manager Herriott is recommending an increase of about 2.5% on residential, with increase in commercial of 3.06% and industrial of about 4.5% cent per kilowatt hour.

The next meeting date is scheduled for May 28 , 2014 at 7:00 P.M.

Chairman Ahlin opened the discussion on the Landis & Gyr PLEX metering system which was presented to the Commissioner earlier in the evening. The Commissioners felt that we should be gravitating towards this upgrade that would give us real time metering and a two way communications systems. This will be an on-going project which will not be completed until next year. Manager Herriott felt that it was important to move forward as the discounts will be expiring the 1st of June 2014. The Commissioners voted the Manager could expend up to \$50,000.00 setting in place the pilot program to test the effectiveness of the new PLEX system before coming back to the Board.

The motion was made by Commissioner Carlisle and seconded by Commissioner Lashua. The vote was unanimous.

Old Business:

- The meter replacement project is ongoing.
- Comcast billing ongoing.
- We have had to delay the start of the pole replacement until May.
- The LED lighting project is about 50% complete and we are waiting for the rest of the shipment lights.
- There was some discussion on how to begin the search for a new General Manager to replace Stan Herriott who is retiring at the end of July. The Commissioners will begin looking into a search committee.
- There was no a discussion on employee benefit requests. It was agreed to consider the employee benefits requests for next month

A motion was made by Commissioner Carlisle to adjourn and was seconded by Commissioner Lashua. The vote was unanimous. The meeting adjourned at 7:15 P.M.

Respectfully submitted

Mark Carlisle

Secretary