

Minutes of March 28, 2007

Meeting of the Ashburnham Municipal Light Plant

Present Commissioners: George Ainsleigh, Richard Ahlin, Kevin Lashua
Stan Herriott, Manager

The Meeting was called to order at 4:30 p.m.

Chairman Ainsleigh recognized our auditing company Goulet, Salvidio & Associates, P.C. represented by Jim Goulet and Heather Isaacs, Bruce Leymaster, our rate study consultant and Anne Cervantes, Ashburnham Treasurer. Chairman Ainsleigh asked for Mr. Goulet to go ahead and give us the review of the 2006 Financial Statements. Mr. Goulet began to say that the firm had issued a clean audit report. He went on to mention the "Management Discussion and Analysis" in the first few pages of the report, written by the Manager, was not required however, he felt that it added a good deal to the report. Mr. Goulet went on to review the complete audit report which showed no material discrepancies. He felt that the revenue earned was well in line and the statements were very consistent with the prior years. Mr. Goulet asked if there were any questions? Mr. LeyMaster mentioned that he felt that there was a discrepancy in the commercial sales, while this would not necessarily change the financial statements. It did have an impact of the rate design, Mr. Goulet agreed and said that the DTE report should be corrected. Manager Herriott said that he felt that the error may be a difference between two reports the system generates, and he would look into it to see if he could resolve it and let everyone know. The Commissioners had no other questions at this time. Mr. Goulet thanked the Commissioners and following his presentation he and Heather left the meeting.

Chairman Ainsleigh recognized Bruce Leymaster, Bruce began to report his findings to the Commissioners on the rate study. He felt that the rates were very good and seemed to be producing the correct amount of revenue, with the exception of the municipal rates. He felt the municipal rates were some 20% lower on meeting revenue requirements than all other rate classes. He said that the residential and commercial rate could use small increases, the industrial rate a small decrease with the municipal needing the largest increase of about 20%. He also pointed out that collectively all the rate classes if served by National Grid would be paying an average of 35% higher rate. Bruce also mentions that he felt the number in the DTE report for commercial was incorrect, and we should pursue getting the correct amount. He also mentioned that he made the effort to report the rates in an unbundled fashion, so if that we wanted to break out the cost we would have that ability. The financial thing he mentioned was that the Manager had asked him to look into eliminating the kilowatt hours included in the customer charge. Bruce did perform this service and stated that the only real impact would be on the lower end users. Manager Herriott mentioned that compared to other municipals the under 250 kilowatt hr class is the only class we are very low in. The Commissioners thanked Bruce for his report and would take his findings under consideration. Bruce thanked the Commissioners and left the meeting.

Chairman Ainsleigh moved back to the remaining Agenda.

Chairman Ainsleigh called for a vote on the minutes of the February 21, 2007 meeting. The Commissioners reviewed the minutes. Chairman Ainsleigh called for a motion to approve the minutes. Commissioner Ahlin made the motion to approve it, and was seconded by Commissioner Lashua. The minutes were approved.

Manager Herriott reviewed the budget through February 2007, both receipts and expenses were running about 3% over projections. Manager Herriott mentioned that we expected to have a good month in April as we begin to do shutoffs. He expects collections to be up a great deal. He went on to say that he expected a very difficult shutoff season.

Manager Herriott reported that the MASSPOWER case had been decided against the Massachusetts Municipals that had ownership shares in the plant. This decision was very disappointing and the attorneys were recommending that we appeal the decision. The participants did take a vote with only one dissenting vote and agreed to pursue an appeal. The cost is about \$100,000.00 dollars. And considering the buyout cost remains at \$32,000,000.00. An additional \$100,000.00 will have little impact on the rate payers. Also this is the highest priced electricity we have in our current portfolio. The commissioners did not object to this strategy.

Manager Herriott mentioned two bill insert requests, one from the Fire Department and one from the Council on Affordable Housing. The Manager presented the Fire Department but did not have a copy of the Affordable housing. The Commissioners agreed to the Fire Departments request and took the other under advisement.

Old Business:

Manager Herriott mentioned the 100th Anniversary Celebration which will be coming up next year. He felt that he wanted to do something that would include as many aspects of the community as possible and asked the Commissioners to begin to consider what they would like to see done. The Commissioners would take this under advisement.

Manager Herriott said that he had a request from the Town Manager to increase the in-lieu of-tax payment. The Manager told the Town Manager this would require a meeting of the Selectman and the Commissioners, and that he would not commit to any increase without that happening. He went on to tell the commissioners that he had included a letter offering a possible solution which he had written back in 2005. After some discussion the Commissioners took this under advisement.

Manager Herriott said that we are moving forward with the plans to do the underground in conjunction with the renovations to the Town Hall. Which will go hand in hand with getting the wires underground for the Main Street Lighting Project. He went on to say

that the plan is not ready but as soon as it was he would be presenting it to the town for approval.

Manager Herriott said that he was revisiting the billing system upgrade which was planned for last year. The cost remained about the same around \$20,000.00 and would probably be going forward with in the June time frame. This will allow for us to take advantage of the reduced postage.

The Manager gave a copy of the Town Administrators report for 3-5-07.

The Manager gave an update on Dave Goodall, he was scheduled for surgery on April 2nd and would probably be out for at least a couple of months if everything goes well.

The next Board meeting will be held April 25, at 4:30 p.m.

A motion was made by Commissioner Ahlin and seconded by Chairman Ainsleigh to adjourn the meeting. The vote was unanimous.

The meeting adjourned at 9:00 p.m

Respectfully submitted,

Rick Ahlin

Secretary