

Minutes of October 24, 2007

Meeting of the Ashburnham Municipal Light Plant

Present Commissioners: George Ainsleigh, Kevin Lashua and Richard Ahlin

Stan Herriott, Manager

The Meeting was called to order at 4:42 p.m.

Secretary Ahlin called the meeting to order in the absence of the Chairman who had been delayed. Secretary Ahlin called for approval of the agenda. A motion was made by Commissioner Lashua and seconded by Commissioner Ahlin. The vote was unanimous. Commissioner Ainsleigh arrived at the meeting at 4:55 p.m.

Chairman Ainsleigh called for a motion to approve the minutes of September 19, 2007. Secretary Ahlin brought to the Manager's attention a grammatical error and asked that it be corrected prior to approval of the minutes; the minutes were tabled until next month. Manager Herriott noted that we could still go forward with the Executive Session minutes. A motion was made by Commissioner Lashua and seconded by Commissioner Ahlin. The vote was unanimous. Secretary Ahlin signed the minutes from the executive session of September 19, 2007.

Manager Herriott reviewed the financials and pointed out that receipts and expenses are tracking about 4% more than projections. This is being driven by high projected cost of power. There were no particular changes to the budget that would require adjusting the budget for the month or year. Cash receipts remain stable and the number of shuts-offs have slowed down. Manager Herriott gave the Commissioners copies of our power position in the market. Manager Herriott gave a brief explanation of the chart explaining that we are somewhat over exposed to the market at this time. This has worked in our favor because the market has been favorable this year with the reduced cost of natural gas. Our long term goal is to move towards having about 20 to 30 percent

of our power supply portfolio in the market. This goal will mainly be accomplished by the construction of the new power plant and our investments in wind power. Today long term power contracts are not a viable investment because the further you go out the high premium you must pay to lock in a price is not a financially sound investment. We are doing a program where we pre-buy over a rolling 18<sup>th</sup> period in order to stabilize our cost and even this program's costs are running about half a cent over the actual cost of power.

Manager Herriott passed around a copy of the HELPS budget for next year. This is the program we are working with through MMWEC to provide energy audit services for our customers. We are expected to fund the program at ¼ of 1 percent of our revenues which is projected to be \$10,793.00 for next year. Our fixed cost is about \$3,844.00; the remaining is variable and depends on rebates and audits.

Manager Herriott went out to bid for tree services for next year. The request for proposals went out to all local tree services. We only received one bid which was from Allen Tree Service. The fee would be eighty dollars per hour for the crew. We will be using Allen Tree Service for our 2008 work.

Manager Herriott circulated for the Commissioners signatures the Town's Sexual Harassment Policy. The Commissioners complied with the request to sign the policy. Manager Herriott will forward it back to the town. Manager Herriott gave to the Commissioners a copy of the 2008 engagement letter from Goulet, Salvidio & Assoc. accounting firm which he has agreed to, so we would be using them again this year for our audit.

Manager Herriott gave the Commissioners a copy of the latest 2006A generation project. In reviewing it Commissioner Ahlin inquired as to what the report was referring to when Western Mass Electric was listed as an intervening party. Bay State Gas was listed as an interested party. Manager Herriott said that Bay State's interest was only in receiving information and not challenging the project, while Western Mass Electric as an intervening party could in fact legally challenge the project going forward.

Manager Herriott gave a copy of the latest MASSPOWER settlement memo from our attorney; he explained that there really had been no change in the offer. The buy offer had been decreased by only a factor related to the time that had passed since the last

offer. Manager Herriott stated that the participants were going to have a conference call on Monday to discuss the current situation. There was no further discussion at that time.

Under old business, the Manager said plans are moving forward with the 100th Anniversary Celebration. Anne is working with the art teacher from Briggs and the calendars are almost complete. The ABC has agreed to let us piggy back with Downtown Day. Right now we expect a crowd for the night time event of about 200 people.

The Downtown project is proceeding well. The line crew has completed the overhead portion and most of the pipe installation. We did run into a problem with the vault in Main Street. Verizon sized the vault incorrectly and the town marked the water main incorrectly, so we will be trying to settle up with them at a later date.

Dave Goodall has a doctors appointment for next week and he is expected to be released to come back to work full duty at that time.

Manager Herriott showed a copy of the Percy's flier that offered to Ashburnham customers a double rebate on appliances. He felt this was a good deal for the Ashburnham customers.

Manager Herriott passed around a copy of the plan for the new Gardner Federal Credit Union, which is proposed to be built next to the hardware store.

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

The meeting adjourned at 6:25 p.m.

Respectfully submitted,

Rick Ahlin

Secretary