

Minutes of October 22, 2008

Meeting of the Ashburnham Municipal Light Plant

Present Commissioners: Richard Ahlin, George Ainsleigh

Stan Herriott Manager

Absent Kevin Lashua

The meeting was called to order at 7:00 p.m.

Chairman Ainsleigh called for approval of the agenda. The motion was made by Commissioner Ahlin and seconded by Commissioner Ainsleigh. The vote was unanimous.

Commissioner Ahlin made a motion to approve the minutes of the September 17, 2008 meeting and it was seconded by Commissioner Ainsleigh. The vote was unanimous. Secretary Ahlin signed the minutes of the September 17, 2008 meeting.

Manager Herriott reviewed the budget through September. Receipts are tracking about 3% over projections while expenses are running about 5% over projections. The Manager stated the reasons for the expense over runs are an increase in transmission costs and power costs. Power cost is trending down and we have begun to show a profit over the last two months. We are still in the red as far as income from billing, by about \$45,000.00. Manager Herriott said that he believes we are headed in the right direction, and he expects that we will be finishing out the year in the black if the current trend continues without any further increase in rates.

Manager Herriott gave the Commissioners the first draft of the 2009 budget. He explained that with the current power cost projections in order to balance the budget we would have to include in the budget a rate increase of .075 cents beginning in July. The principal item driving this increase is about a \$300,000.00 increase in the cost of power and transmission. The Manager went on to say that power cost are trending down today,

and if that continues to be the case we may not need to increase the rates in July and maybe able to reduce it somewhat. We do however need to include the increase in the budget to show a balanced budget. Manager Herriott also said that he would notify the major customers of this pending increase as soon as the budget is voted on which he expected the Commissioners to do in December. Commissioner Ahlin suggested that they would vote on the budget in November so that we could proceed with the plan for next year. Commissioner Ainsleigh agreed.

Manager Herriott reported the results of the Massachusetts Tech. Collaborative (MTC). Manager Herriott went on to say that he had sent out a survey in the September bills. To date we have received over 660 responses with over 550 in favor. Manager Herriott explained that the MTC has not finalized a plan for us to actually enter into the program. A group of municipals had met with the MTC last week and they said they would be coming up with a document to guide the municipal's that would like to join through the process. Manager Herriott also said the attorney for the MTC indicated that this might be the only chance to join, so municipals should not wait until they have a project and then expect to get in. The Commissioners took this under advisement.

Manager Herriott gave the Commissioners an amended version of the present terms and conditions on file with the DPU. He said that the reason we need to amend them is we have a contractor that wants to direct bury the cable and that Ashburnham has no reference to direct burial in the terms and conditions. So although we believe this is not a good idea we have no tool in place to prevent it. The telephone and cable require it and Mr. Herriott believes the Light Department should as well. It has been many years in New England since anyone has used direct burial as a wiring method. Manager Herriott asked the Commissioners to vote the following addition and change to the terms and conditions:

Service Connections:

- (7). Ashburnham Municipal does not allow direct buried wire; secondary service will be installed in conduit per our specifications.

Primary Services:

(12) Ashburnham Municipal does not allow direct buried wire; primary service conductors will be installed in conduit per our specifications.

Change the heading under “**SERVICE CONNECTIONS**” from: “**THREE PHASE SERVICES**” to “**PRIMARY SERVICES**”

The Commissioners agreed and Commissioner Ahlin made and motion to accept the recommendation it was seconded by Commissioner Ainsleigh and the vote was unanimous in favor of the amendments and changes.

Manager Herriott gave the Commissioners a couple of sample employment agreements. He had mentioned last month that the Managers of municipal light plants are supposed to have an employment agreement by law. The Commissioners took them under review.

Manager Herriott told the Commissioners that there was a November meeting for NPCC scheduled in Connecticut. At this point we are still registered participants so perhaps Manager Herriott should attend. The Manager stated this would require one nights lodging and a meeting fee of \$150.00, this meeting is better than going to New York and will probably be the closest one he could attend. The Commissioners agreed to allow him to attend.

The Manager gave the Commissioners a letter from MMWEC which was a review of the current markets and the affects on MMWEC’s financial condition.

Manager Herriott presented his expenses which included the purchase of 500 CFL light bulbs, and a new Watt’s UP meter for customers to use and lollipops for the office. The total of \$522.70 was approved.

The Manager gave the Commissioners copies of the Town Managers current budget review memos.

The Manager updated the Commissioners on the progress with the downtown lighting. He stated that the entire conduit system has been placed except 200 feet, we are letting go on Water Street in order to get finished up. We have installed all the poles and will be pulling wire and getting the lights up during the next couple of weeks. Things have gone very well and working with Jeff Anderson has worked very well.

We are still working on getting the wind tower up. We have run into a couple of issues between the land owner and the state forester. The hope is to get the tower up by the time snow flies.

The Berkshire Wind Project is moving forward, we have agreed on the turbine which will be General Electric. We are now looking to get bids on a turn-key project using our turbines. General Electric is still saying delivery of turbines will be in early spring of 2010. We will be proceeding with the construction of foundations in early spring as soon as we can get on the mountain, and working through next summer to be ready to accept the turbines in the spring of 2010.

Manager Herriott told the Commissioners that the post retirement healthcare is on the town meeting warrant. The way it is written is that in order for employees to get post retirement healthcare will be to agree to a 70 – 30 split instead of a 75- 25 split. So employees will have to agree to pay an additional 5% out of pocket to support their healthcare. The Manager also mentioned that it was agreed on to take a lesser raise if the employees got post retirement healthcare. But they would end up paying an additional 5% it would not be fair to reduce their raises as well. The Manager said he did not think it would pass at this point given the present financial condition of the town.

Chairman Ainsleigh made a motion to enter into executive session for the purpose of discussing personal issues and will reconvene in open session only to adjourn. The motion was seconded by Commissioner Ahlin; a roll call vote was taken.

Commissioner Ainsleigh “AYE”

Commissioner Ahlin “AYE”

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

The meeting adjourned at 8:50 p.m.

Respectfully submitted,

Rick Ahlin

Secretary