

Minutes of March 18, 2009

Meeting of the Ashburnham Municipal Light Plant

Present Commissioners: Richard Ahlin, George Ainsleigh & Kevin Lashua

Stan Herriott Manager

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

In attendance was Mr. James Goulet and Ms. Isaacs from the offices of Goulet, Salvido & Associates P.C. the Light Department auditing firm. They were in attendance to meet with the Commissioners and review the 2008 year end financial audit. Mr. Goulet opened the discussion by telling the Commissioners that Ashburnham had an excellent staff and they had been very cooperative during the audit process. He then began to review the statements with the Commissioners. He said that the Light Department was given a clean auditing statement by his firm. He continued to go through the statements pointing out items that were somewhat different than we have seen in the past statements, most of which were a direct result of the ice storm. He went on to say that the Light Department did in fact lose money for the operations; about \$40,000.00 was attributed to lost revenue and \$40,000.00 attributed to the In-Lieu tax payment for a total loss of about \$80,000.00. Manager Herriott did expect some loss as a result of trying to maintain the rates through the winter so as not to impact the customers. He had built into the 2009 budget a one cent increase effective July 1, 2009. He also said that he hoped that it would end up being less than one cent when actually done. The Commissioners discussed several other issues surrounding the statements. Mr. Goulet's opinion was that the Ashburnham Light Department was in good shape even though we have suffered a slight loss for 2008. The biggest reduction was in cash assets which were down because of the additional cost of restoring the electrical system after the ice storm.

Mr. Goulet and Ms. Isaacs also presented the annual DTE statement which they created for us as part of the auditing. The Commissioners reviewed the report and signed

it. Ms. Isaacs mentioned that the report had to be submitted electronically and that if we would like, she would scan it in to a file and email it to us. Manager Herriott said that would be great.

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 February 18, 2009 meeting and it was seconded by Commissioner Ainsleigh. The vote was unanimous. Secretary Ahlin signed the Minutes of the February 18, 2009 meeting.

As required by the generally accepted accounting regulations the auditors must review with the commission any accounting deficiencies noted in the operation of the Light Department. He noted that there were no additions to the comments listed in last years statements. The deficiencies and the management's responses can be reviewed in the SAS 112 Internal Control Report year End December 31, 2008 and 2007. The discussion of the items in the report was positive in that the department had made considerable progress in correcting the issues that are correctable in a small department. After the discussion Mr.Goulet and Ms. Issacs left the meeting thanking the Commissioners for allowing their firm to perform the audit.

After they left there was a motion to approve the Annual Audit and DTE report made by Commissioner Lashua and seconded by Commissioner Ahlin. The vote was unanimous.

Manager Herriott reviewed the monthly financials with the Commissioners. For the month of February the Light Department suffered a loss of about \$27,000.00 with the year to date gain of about \$17,000.00. The receipts are about \$32,000.00 under projections, and the expenses are also under projections by about \$20,000.00, however expenses did exceed receipts for the month.

Expenses	\$477,083.00
Receipts	\$423,693.00
(Loss)/Gain	(\$53,390.00)

Manager Herriott reported on the purchase of the new pick-up truck at the request of Commissioner Ainsleigh. Manager Herriott and Commissioner Ainsleigh had made a trip down to the MHQ dealership for the purchase of state vehicles. They had been quoted a price from the state bid of \$22,530.00. Manager Herriott felt that it was a good price with the options. Manager Herriott went on to say that since Athol Ford went out of business and none of the other Ford dealers had ever submitted bids he felt that if we wanted a Ford we would have to go off the state bid. After some discussion it was voted to go forward with the purchase. Manager Herriott also mentioned that he would be keeping the old truck and will use it for an on call truck to be rotated between the on call guys, which would allow the more expensive truck to remain in the garage.

Manager Herriott also mentioned that we had put in for reimbursement to FEMA in the amount of about \$820,000.00. The way the process works is FEMA eventually mails one large check to the state MEAM then the state "MEAM" will forward the check to the town. Even though we are filing separate the check will still come to the town because we share the same tax number. So once the town gets the monies transferred to their account we must have a town vote to get them back to the Light Department. I have contacted the Town Council to draft an article for the May town warrant to authorize the town to transfer those funds back to the Light Department's control. This is critical to get these funds back in to the reserve trust so that we might be ready for the next event. Manager Herriott expressed some concern that the town may consider not returning a portion of these funds to the Light Department as a way of supporting the current budget short falls.

Manager Herriott reviewed a letter sent by Senator Brewer in support of the Berkshire Wind Project receiving federal funds from the stimulus funds. He is very much in support of this. If we can in fact get this done it would greatly help the payback of the project. Manager Herriott reported that the project was in full swing. The GE turbine order had been placed. They are expected to be delivered in December of this year. We must have the foundation ready prior to the delivery.

Manager Herriott reported that he is planning to go into the hospital on April 14th for his hip replacement surgery. So we need to discuss the schedule for the Light Department meetings. The next scheduled meeting is April 15th he suggested that we

could continue to have the meeting but he would not be in attendance. The Commissioners after some discussion decided to cancel the meeting. Manager Herriott said that he would still be able to prepare the information and mail it out to them for review.

The other change to the meeting schedule is the June meeting being moved to the 4th Wednesday of the month to allow Manager Herriott to attend the national APPA conference. Chairman Ainsleigh stated that he would be away on vacation and would not be in attendance. The other Commissioners stated that would be ok so the meeting was set for June 24th unless there was some special issue we would be suspending the meetings for July and August.

Manager Herriott said he would be taking a short vacation to visit his father on April 2, 3, and 6th. Before going in for his hip operation on the 14th and is planning to work from home after the initial recovery period and hopes to be back to work by the first week in May.

Manager Herriott also mentioned he would be attending the APPA convention on behalf of MMWEC the week of June 15th.

Manager Herriott expenses were presented and approved for \$763.64, the principal amount was the cost of a man lift for the fork truck so that we can make repairs to the garage lights. The line workers were using a pallet to stand on to work on the lights.

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

The meeting adjourned at 8:20 p.m.

Respectfully submitted,

Richard Ahlin
Secretary