

Minutes of March 17, 2010

Meeting of the Ashburnham Municipal Light Plant

Present Commissioners: Richard Ahlin, Kevin Lashua

Stan Herriott Manager

The meeting was called to order at 7:05 p.m.

Our accountants from Goulet & Salvidio & Associates P.C. were present for the purpose of presenting the annual audit financial statements for the year ending December 2009. Mr. Goulet and Ms. Isaccs went through the statements to point out the highlights of the audit. The Commissioners asked several questions with regard to the audit, Ms. Isaccs and Mr. Goulet provided answers. After concluding with the questions and answers Mr. Goulet reported that the statement he issued was clean and that the company looks to be in stable financial condition.

Mr. Goulet and Ms. Isaccs then reviewed the management letter with the Commissioners. Mr. Goulet said that many of the issues were related to the size of the department and would probably do not make fiscal sense to address, things such as separation of duties, drafting of financial statements, and drafting of an accounting manual. The one area of focus where we spent some time was the disparities in the NDS system where information differed from some monthly reports and the general ledger accounts. Manager Herriott said that he would get in touch with NDS the company's billing provider and resolve this issue.

The Commissioners thanked them for their work and Mr. Goulet and Ms. Isaccs left the meeting.

Commissioner Ahlin asked for a motion to accept the minutes for the January 20, 2010 meeting. The February meeting was canceled do to lack of quorum.

A motion was made by Commissioner Lashua and seconded by Commissioner Ahlin, the vote was unanimous.

Manager Herriott reviewed the budget through February 2010. Receipts are tracking 1% below expectations which expenses tracking slightly more than 1% above projections. Lower receipts is a result of the state moratorium on shut-off's during the winter months November through April. We came out of the month of February being owed more money than any time in the past. We will be working on collections beginning with the first shut-off dates in April. We expect to have a very active shut-off season. Receipts were \$801,991 and expenses were \$857,487.

Manager Herriott brought to the board the MMWEC voting authorization. Since Commissioner Ainsleigh's passing it will be necessary to have another voting member from the Board assigned. The Commissioners discussed the assignment. A motion was made that Commissioner Ahlin would be the first alternate to the Manager and that Commissioner Lashua would be the second alternate. The motion was made by Commissioner Lashua and seconded by Commissioner Ahlin, the vote was unanimous.

Manager Herriott gave a copy of the memo that was sent to the Town Manager along with a letter from our attorney setting out the Manager's authority. This was done to attempt to clarify for the Town Manager his authority with relationship to the Light Department.

Manager Herriott stated that MMWEC has created a new website for the Stony Brook Three project. This was done at the request of the MMWEC Board to help better inform the project participants of the progress on the project. The Manager stressed that the big thing we have is a permitted project, and that at this point we are not being held up by the JOA. The Commissioners voiced concerns that we have been held up waiting for CMEC to agree to a joint ownership agreement. MMWEC was pursuing other joint owners. Plant construction has changed greatly with the announcement of the expected closing of Vermont Yankee and the problems created with the plant explosion in Connecticut, this will most likely make our plant more valuable.

Manager Herriott talked about the on going discussion with the Ridgewood Landfill Gas Project in Rhode Island. A letter from MMWEC was included with the meeting information covering the cost we agreed to for the out put.

This project is based on the out put of the plant and Ashburnham has no other obligation other than to pay the contracted amount for the energy delivered. This project is considered a renewable project and should help AMLP meet the state's renewable requirements.

Manager Herriott gave the Commissioners some data on the transmission costs and how they are expected to impact the cost of electricity going forward. Manager Herriott said that we expect the transmission costs will be the biggest driver of increased electric cost in the future.

The Commissioners reviewed and approved the billing insert for the Historical Society.

Manager Herriott asked the Commissioners if anyone would like to attend the APPA National Conference. No one was interested at this time.

Manager Herriott mentioned that the requirement was still standing for public officials to complete the state ethics test on line and provide proof of completion to the Town Clerk.

Manager Herriott gave copies of the employees change in benefits requests to the Commissioners, there was no discussion they were taken under advisement.

Manager Herriott explained to the Commissioners that we are to make payment to the Berkshire Wind Project at the rate of \$39,390.65 per month. This is due to the fact that we used short term loan to get the project going. It is expected that the long term funding will be in place in April and we will be refunded this money once the long term project is funded. The Commissioners asked questions with regard to scheduled completion of the project. Manager Herriott said that according to our attorneys we were very close to settling so that construction could be completed. He also mentioned that Western Mass Electric had begun work on the direct feeder line for the interconnection.

Manager Herriott gave an update on the Ashburnham Wind Project. At this point the landowners have not signed the lease but have agreed with the financial terms of \$100.00 a month while we complete the study, \$500.00 per month while we are under construction and \$9,000.00 per year once the project is operational.

Manager Herriott stated that he hoped to get this signing wrapped up by the end of the month so that we could get in on the next round of the MTC funding.

Manager Herriott also mentioned that AMLP did get the grant for the solar project for the Public Safety Building and Oakmont of \$150,000.00. AMLP would have to add another \$100,000.00 to complete the projects. Manager Herriott is working with MMWEC and the Town to complete the necessary grant information and get it submitted by March 29<sup>th</sup>.

A motion to adjourn was made by Commissioner Lashua and seconded by Commissioner Ahlin. The vote was unanimous. The meeting adjourned at 9:45 p.m.

Respectfully submitted

Richard Ahlin,  
Secretary