

Devens Economic Analysis Team ("DEAT")

**Minutes of April 5, 2012 Meeting
7:00 PM – 9:00 PM
Fireplace Meeting Room, Old Library**

Orville Dodson, Secretary

Members Present: Paul Green, Steve Finnegan, and Orville Dodson.
Guests Present: Joe Hutchinson.

In Victor Normand's absence, Steve Finnegan called the meeting to order at 7:27 pm.

Steve began the meeting by mentioning that the Devens Annual Report for 2011 from MassDev is online and can be seen and downloaded at massdevelopment.com under "Annual Report" at the bottom of the home page. On the last page of the report (page 12) there is a Financial Statement giving the Operating Revenues and Operating Expenses for 2011 and 2010. Likewise for Utilities Operations, Non-Operating Revenues/Expenses, Capital Activity, and Land/Building Sales. Steve walked us through several items in the Financial Statement and recommended that members download and look at the Annual Report.

Paul Green then took the floor and reported on the March 29 meeting that he and Duncan Chapman had with Jim Moore, the Manager of Devens Utilities ("DU"). He will prepare a written summary of the meeting before our next meeting but did run through some of the highlights from the meeting. He broke these highlights into the four main components of DU:

Electric

- DU hedges 60% of its electric supply needs and goes to the spot market for the rest.
- Constellation is their electric supplier.
- DU charges ~12 cents per KWH verses the ~16 cents/KWH from National Grid in Harvard.
- The electric infrastructure at Devens has been completed.
- DU has set aside \$1,000,000 for a possible transformer failure.
- The DU-Electric does have bond obligations.

Gas

- The infrastructure consists mostly of 1934 pipes which are being gradually replaced by new pipe. This replacement has been underway for some time and continues.

- DU hedges 70% of their gas needs and goes to the spot market for the remaining 30%.
- Direct Energy is DU's gas supplier.
- DU has ~300 gas customers (ie. ~300 gas meters) at Devens.
- DU-Gas has no bond obligations.

Water

- DU provides its own water. It does so from 3 wells (McPherson, Patton, and a third) and it has a 4th well (Grove Pond) which is in need of repair.
- MCI Shirley and the federal prison/hospital at Devens are institutional customers of DU-Water. MCI Shirley takes about .5 million gallons per day.
- DU-Water has \$1,500,000 in reserve for a possible well failure.

Waste Water

- DU has 3 reactors for treating waste water.
- The DU-WasteWater infrastructure is new construction and is complete.
- DU-WasteWater uses no discharges into the Nashua River, it discharges entirely onto land. It has used close to 100% of the land's discharge capacity. Any further increases in DU-WasteWater capacity will probably require discharge into the river and that will be expensive.

Paul and the other members then discussed how DU will evolve. It would most likely either be sold, whole or in its parts, to private entities or it would become a municipal utility. In the latter case, it would be hoped that DU become a single municipal utility even if several towns have jurisdiction over Devens.

It was then moved and seconded that the meeting adjourn and it did so at 8:10pm.