

Minutes of March 19, 2008

Meeting of the Ashburnham Municipal Light Plant

Present Commissioners: George Ainsleigh, Richard Ahlin

Stan Herriott Manager

Commissioner: Kevin Lashua Arrived at 6:10

The Meeting was called to order at 4:30 p.m.

Chairman Ainsleigh opened the meeting by greeting our guests, Mr. Goulet and Heather Isaacs, our accountants. Chairman Ainsleigh said that he would hold the scheduled bid openings first.

Manager Herriott opened the mowing tractor bid from Padula Brothers. The bid contained only one document and that was a bid for just the mower deck. The bid did not contain any bid for the tractor. After some discussion it was decided that this would have to be re-bid and the Manager was directed to take care of this process as soon as possible. Don Ouellette arrived at the meeting and he was informed of the bid and that it would have to be re-bid.

Chairman Ainsleigh directed the Manager to open the bids for the drainage system for the Light Department's Building. There were two bids received one from Dave Perry Construction and the other from Finish Grade Excavating. The bid prices were \$32,300.00 and \$29,895.00 respectively. There was a discussion if we could use plastic pipe instead of the steel that was included in the project. The Manager informed the Commissioners that it was up to the Building Inspector and he had allowed it at the new Public Safety Building. The Manager said that he would have a discussion with the Building Inspector and if he agreed the plastic pipe could be used. He would ask the successful bidder to do a change order and credit the Light Department with the difference in the price.

Mr. Goulet and Ms. Isaacs reviewed the year end financials. He went through page by page and pointed out the highlights to the Commissioners. A couple of notes, the

earnings were down this year by about \$100,000.00 and the MMWEC project debt was down to about 4.5 million dollars. Also, we will probably need to review the Purchase Power Charge to avoid over collecting. The lower MMWEC debt is a result of the power projects being closer to being paid off. Mr. Goulet's firm gave the Light Department a clear statement and felt we were in good financial condition. Ms. Iaacs also went over the engagement letter with the Commissioners and the Management letter which is required under the new accounting standards.

They also went over the statement notes on the process that we need to address going forward. The Manager agreed to review them and make the necessary changes. It was also agreed that because of the size of the organization there were things that we would never be able to correct, such as having a person on board to complete our year end statements. This would require that we hire a CPA which would not be prudent. Also segregations of duties which because of the size of the organization would not be possible. Both Mr. Goulet and Ms. Isaacs felt comfortable that these issues would not have any material effect on the operations of the company.

Manager Herriott reviewed the Berkshire Wind CO-OP that we planned to join. Manager Herriott explained that all the municipals that were participating in the project would have to take similar votes. Manager Herriott said this CO-OP was designed as a financial tool that would allow for the funding of the project. Commissioner Ahlin asked what Ashburnham's share of the project would be. Manager Herriott said we will own 4.624% of the project about 636 kW. Commissioner Ahlin also asked what the total cost of the project would be. Manager Herriott explained that the project is expected to be in the area of \$42 million. Ashburnham's share would be about \$2 million of the 20 year life of the project. Manager Herriott also explained that this project is a very good project and that there are many municipals that would have liked to get into it now. But the current participants decided not to open it up to others because it would dilute each of the participant's shares of the project. After further discussion the Commissioners agreed to vote. A motion was made by Commissioner Ahlin and seconded by Commissioner Lashua. The vote was unanimous.

VOTED: (1) That the Ashburnham Municipal Light Plant hereby agrees to join together with the Massachusetts Municipal Wholesale Electric Company ("MMWEC") and the other

Participants in MMWEC's Special Project 2002A to form a municipal lighting plant cooperative to be known as the Berkshire Wind Power Cooperative Corporation ("Cooperative"); and

- (2) That the Board hereby approves and the General Manager is hereby authorized and directed to take any action deemed necessary or advisable to carry out the purposes of this vote, including but not limited to execution of a Berkshire Wind Power Cooperative Agreement with MMWEC substantially in the form of the draft Berkshire Wind Power Cooperative Agreement attached to this vote and made a part of the record of this meeting; and
- (3) That the Board hereby approves and the General Manager is hereby authorized and directed to take any other action or execute any other documents necessary to effectuate the purposes of the Berkshire Wind Power Cooperative Agreement, including but not limited to execution of a Berkshire Wind Power Purchase Agreement substantially in the form of the draft Agreement attached to this vote; and
- (4) That the Board hereby approves and authorizes the General Manager, to execute any other documents or take any other actions necessary to effectuate the financing of the Berkshire Wind Power Facility by the Cooperative; and
- (5) That any actions previously taken by the General Manager which are consistent with the purpose of this vote are hereby ratified and confirmed.

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

Chairman Ainsleigh called for a motion to approve the Minutes of the February 20, 2008 meeting. A motion was made by Commissioner Ahlin and seconded by Commissioner Ainsleigh. The vote was unanimous. Secretary Ahlin signed the Minutes of the February 20, 2008 meeting.

Manager Herriott reviewed the February budget he noted that receipts were tracking well below the projections and expenses were about \$40,000.00 over. He went

on to say that sales were near expectations but collections were down considerably. Also another reason for expenses being high we have reinstated the MASSPOWER bill for the month of February. This was before we knew of the courts decision to declare the contract void we have once again stopped the billing.

Manager Herriott also said that we are going to have a very difficult shutoff season. We are coming out of the winter being owed more monies that we have ever had before, right now we consider all this money collectible.

Manager Herriott submitted his expenses for the month which were approved.

Manager Herriott reviewed the cost of putting heating cables on the roof. The total cost would be \$14,775.00. He received the price from Poulin Buildings. This is necessary because of ice damming that is causing leaks in the roof. This is a state of the art system that is controlled through temperature sensors and moisture sensors. After some discussion the Commissioners agreed that we need to move forward on this project.

The Commissioners reviewed the employees benefit requests and took them under advisement.

Manager Herriott gave the Commissioners several items for their information and review.

- An email discussion between the Selectmen, the Advisory Board Chairman, Bill Johnson and himself, concerning the increasing amount of the in-lue-of-tax payment. The Manager responded and informed the group just how much the Light Department supports the Town now. One Selectman still felt perhaps the Light Department could do more.
- A letter for APPA addressing the failure of deregulation and how electric cost in states that deregulated were much higher, even after taking into consideration the cost of fuel.
- A copy of the motion for MASSPOWER's appeal.
- A news release from our New England Senators requesting FERC look into the market rules.

- They are very concerned that citizens of New England are being hurt by the high electric prices created by the ISO markets.
- Also a request for the DPU to extend the shutoff moratorium until May 1, 2008. Manager Herriott felt this should not be done and the Commissioners agreed.

The Downtown Lighting Project is moving forward. The bid documents and the design will be ready this week. Preliminary pricing was about \$2,600.00 per pole.

Manager Herriott the UMASS engineers have focused on Blood Hill as a very good site to study the winds for the possible placement of the wind turbine. The summit is controlled by the Ashby Conservation Board and the Manager has written a letter asking for a meeting to discuss this as a possible site. The Manager has not received a response to date.

He also mentioned that he had a concerned citizen from Ashburnham requesting all correspondence with UMASS concerning the wind project as they felt that it might impact their view.

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

The meeting adjourned at 7:22 p.m.

Respectfully submitted,

Rick Ahlin
Secretary