

Minutes of March 23rd, 2011

Meeting of the Ashburnham Municipal Light Plant Board

Present Commissioners: Richard Ahlin, Mark Carlisle and Kevin Lashua

Stan Herriott Manager

Other Attendees: Heather Isaacs & Jim Goulet, from Goulet Salvidio & Associates

Mike Lynch & Ed Kaczinski from MMWEC

Tom Michelman & Alex Weck from Boreal Renewable Development

Peter Glick from Symmes Maini & Mckee Associates

David Colombo from Consulting Engineers

The meeting was called to order at 2:15 P.M.

The meeting was called to order by Commissioner Carlisle who was acting as Chairman at 2:20 P.M. Commissioner Lashua and Commissioner Carlisle were present. Commissioner Ahlin's arrival was delayed.

Manager Herriott stated that the accountants were to arrive around 3:00 P.M. for the year-end audit review, followed by the review of the draft for the feasibility study at 6:00 P.M. Manager Herriott said that the time changes were a result of having to change the meeting date.

Commissioner Carlisle called for approval of the February 16th minutes and a motion was made by Commissioner Lashua and seconded by Commissioner Carlisle. The vote was unanimous.

The Commissioners decided in order to keep the meeting moving in a timely manner we should go through the agenda items prior to the auditors arriving.

Manager Herriott went over the budget through February. Manager Herriott explained that although we showed a loss in the month it was not due to over spending, but due to uncollected accounts. The actual sales exceeded expenses by over \$ 40,000.00. Manager Herriott went on to say that we were expecting a very active shut off season.

Manager Herriott presented the AMLP policy 2.0014 to the Commissioners for signatures, this policy was reviewed at last month's meeting and the recommended changes were made. The policy contains information on identifying potential customers and installation of a remote shut off device allowing the property to be shut off and restored from the remote area. The Commissioners reviewed the changes and a motion was made by Commissioner Lashua and seconded by Commissioner Carlisle to approve the policy. Manager Herriott also said that he would make the necessary changes in the Terms and Conditions that are on file with the DPU to reflect the new policy.

Commissioner Ahlin arrived at 3:30 P.M.

Manager Herriott asked the Commissioners if they would like to make any changes to the vote representatives for MMWEC. Presently Manager Herriott is the principal voter and then in the absence of Manager Herriott Chairman Ahlin is the 1st alternate and Commissioner Lashua is the 2nd alternate. The Commissioners felt that Commissioner Carlisle should be added as the 3rd alternate. Manager Herriott said that he would make the necessary changes.

Manager Herriott reviewed the NYPA savings report that is produced by MMWEC. This review showed the projected savings received by the municipal customers. Manager Herriott mentioned the transmission costs are now exceeding the cost of the NYPA power by double.

Manager Herriott reported that Amy Fischer our newest employee has completed her 6 month probation period and that he and Anne Olivari were recommending her for permanent employment with a one dollar increase to her hourly wage rate. The Commissioners reviewed and signed the change of status sheet that the Manager Herriott had presented.

Manager Herriott reported that David Goodall has been accepted into the long term disability policy insurance program. This paycheck will be his last through the Light Department. David will be receiving payments through workman's compensation and the disability insurance. David is scheduled to meet with his surgeon on April 7, 2011.

Commissioner Lashua left the meeting at 4:05 P.M.

Manager Herriott presented his expenses for the month of March which totaled \$183.85. Most of this was related to document protection covers for our records retention area.

Manager Herriott reviewed the following with the Commissioners:

- Advisory Board Public Forum for fiber cable installation
- The Ashburnham Business Council Business after hours
- MEAM General Manager's Meeting
- MMWEC Annual Conference
- Ashburnham peak load projections through 2022

Jim Goulet and Heather Isaacs from Goulet Salvidio & Associates arrived at the meeting to present the annual audit review.

The audit documents were handed out and Mr. Goulet began by saying that he was once again pleased to perform this audit for us and appreciated the cooperation from the employees of the Light Department. Mr. Goulet followed by saying that he was able to issue a clean statement without comments. Mr. Goulet went through the audit report and commented on the various sections of the report pausing for questions during the process. Mr. Goulet took time to highlight several areas of the report.

After completing the review of the audit report Mr. Goulet reviewed the SAS 115 Inter Control Report which had no changes from last year. Most of the items focus around segregation of duties. Where as most small companies these issues are present due to the fact that most employees have several different job functions.

The Commissioners had several questions which were discussed at the close of the review, one of the question related to retained earnings. Mr. Goulet agreed that we were well within the earning limits that are set for in the rules in Chapter 164 of the Massachusetts General Laws.

At the completion of the audit review at 4:30 P.M. Commissioner Ahlin declared the meeting in recess until 6:00 P.M. Then the next presentation would begin.

The Commissioners, Manager Herriott, Mike Lynch, Ed Kaczenski both from MMWEC returned to the meeting at 6:00 P.M. We were joined by, Tom Michelman & Alex Weck from Boreal Renewable Development, Peter Glick from Symmes Maini & Mckee Associates and David Colombo from Consulting Engineers to discuss the draft for the wind feasibility study.

The discussion was led by Alex Weck. He focused on their presentation titled “Draft Wind Turbines Feasibility Study”. Mr. Weck touched on various aspects of the Boreal approach to the project. Mr. Weck believed that the project was in fact buildable and saw no fatal flaws that would add unnecessary costs to the project.

The meeting was turned over to Tom Michelman who discussed the financial analysis. Mr. Michelman pointed out that due to the low cost of natural gas the project has shown a negative return on equity for the years ahead. Commissioner Ahlin and Commissioner Carlisle had several questions related to the way Mr. Michelman arrived at his conclusion. They felt that basing the financial analysis on today’s projections of natural gas was not the only factor that should be considered. Mr. Michelman agreed and said as part of the final report he would include other possible considerations.

Peter Glick reviewed the transportation study. He gave some estimates on the cost associated with getting the turbine parts delivered to the site. Mr. Glick’s estimate of the cost to construct the access road was just under a million dollars and he felt that the road could be constructed with minimal impact to the surrounding areas.

Dave Colombo reviewed the electricity interconnection and the costs associated with this, the projected cost for all the electrical costs are around 1 million dollars which includes all aspects of the project.

The Commissioners raised several questions related to the modeling of the electrical system and how much renewable energy we could take. Several possibilities were discussed. David Colombo said that we would have to narrow our options for renewables prior to going to National Grid for the interconnection study.

The Commissioners thanked everyone for the work on their project. Alex Weck, Tom Michelman, Peter Glick and Dave Colombo left the meeting.

The Commissioners and Manager Herriott continued discussions with MMWEC as to the possibilities of working with MMWEC to build the project.

Mike Lynch and Ed Kaczinski left the meeting.

The next meeting is to be held Wednesday April 20, 2011 at 24 Williams Road.

A motion was made to adjourn the meeting by Commissioner Carlisle and seconded by Commissioner Ahlin the vote was unanimous. The meeting adjourned at 9:05 P.M.

Respectfully submitted

Mark Carlisle

Secretary