

**STERLING MUNICIPAL LIGHT DEPARTMENT
MEETING MINUTES**

DATE: Tuesday, May 31st, 2011
LOCATION: SMLD Conference Room, 50 Main Street,
Sterling, MA

BOARD MEMBERS: Matthew Stelmach (Stelmach), Chairman
Michael Rivers (Rivers), Clerk
George Pape (Pape), Third Member

SMLD STAFF: Sean Hamilton (Hamilton)– Manager

MINUTES: Naglaa Elshamy (Elshamy)

7:00pm Meeting brought to order. Stelmach opens the meeting with an attendance vote: Rivers, present, Pape, present, Stelmach, present.

APPROVAL OF THE AGENDA

Stelmach opens first item which is approval of the agenda. Pape asked to add two items one under New Business “Customer Parking” and the second one under Old Business “Downtown Upgrade Project.” Rivers also asked to add another item under Old Business “SLCT Equipment.” He noted there is insufficient time to hold the three Executive Sessions. Stelmach asked that the third Executive Session be deleted and moved to a future meeting. Pape said a draft of the Personnel Policy Manual could probably be available to review before discussing that issue. Rivers pointed out that the scheduling the next meeting should also be discussed at the end.

Upon motion made by Rivers and seconded by Pape, it was unanimously
RESOLVED: to approve the agenda as presented.
(Vote: Rivers aye, Stelmach aye, and Pape aye)

REORGANIZATION OF BOARD

Stelmach said this was the time for the Board’s reorganization. Pape moved to nominate Rivers for Chairman of the Board. Rivers reiterated the Board needs vice-Chairman and he was willing to serve in that capacity. He further commended Stelmach for a great job as Board Chairman. Stelmach agreed there should be a vice-Chairman and also to serve another term. Pape will serve as Clerk.

7:05 Upon motion made by Rivers and seconded by Pape, it was unanimously
RESOLVED by the Board: to approve Stelmach as Chairman, Rivers as Vice-Chairman,
and Pape as Clerk until the first meeting following the next annual Town meeting.
(Vote: Rivers aye, Stelmach aye, and Pape aye)

APPROVAL OF MINUTES

Stelmach noted Rivers distributed minutes from October 25th 2010 that were delayed. Pape abstained from the discussion because he was not in attendance. Rivers apologized for accidentally overwriting those minutes but he had Elshamy redo them. Stelmach said that he had a clarification about the name of the customer under Customer Comments.

Upon motion made by Rivers and seconded by Pape, it was unanimously RESOLVED by the Board: to approve the minutes of October 25th, 2010 pending clarification.

(Vote: Rivers aye, Stelmach aye)

REVIEW OF WARRANTS

Rivers questioned insurance for workers comp. Hamilton replied a new rate will be negotiated. Rivers asked if there will be a cost reduction and why the SMLD maintains a separate policy. Hamilton reported departments usually maintain different policies and Town's usually carry even a higher cost.

MANAGER'S REPORT

Hamilton presented the first quarter report noting KWH sales increased 7% for the year. The power cost went down about \$170,000, expenses went up about \$19,000 due to the OPEB liabilities and also for the financial advisor. Hamilton also presented to the Board an account snapshot which shows what was in the books. Seabrook project is now up and running, and Berkshire project is also now running giving about 15MW and it is one of the renewable power sources that Sterling is part of. Hamilton also pointed out SMLD has two copier machines that will not be needed, and asked the Board what to do with them. Pape suggested giving them to another town department. Stelmach asked Hamilton to track all items given to the Town.

Hamilton said SEDC is going to start very soon. The IT system has been ordered and will be installed. For the OPEB, there was a vote in 2009 about where to put the investments (under director's plan). Another issue Hamilton mentioned was the Van was sold for \$2000 (went to New Jersey) and the bucket truck was sold for \$5000 (went to Clinton), and the generator went to Clinton as well.

OLD BUSINESS

Missing Meeting Minutes

Stelmach asked about the missing minutes. Rivers noted that it was October 25 and September 27 of 2010 and they were both voted on. Pape noted that there were some Executive Sessions that were missing and not on the website. Rivers explained that Executive Sessions do not get posted online but just stay in the files.

Interconnection Agreement

Hamilton presented to the Board a draft agreement and talked to the Board about how net metering will be connected. Board members reviewed the document and Stelmach pointed out a minor editing correction.

7:30 Upon motion made by Rivers and seconded by Pape, it was unanimously RESOLVED by the Board: to approve the Interconnection agreement with minor editorial change.

(Vote: Rivers aye, Stelmach aye, and Pape aye)

Rate Study/ Rate Changes

Stelmach asked Hamilton for an update. Hamilton said that the DPU report was finished and went out. Asked the Board to take a look at the draft study. There was a discussion on the municipal rates and Board noted that the rate study should help ensure that rates are fair.

Downtown Upgrade

Pape noted from the last DPW meeting, they were going to work on the downtown upgrade project. Pape pointed out the SMLD will be having a part in burying the power lines. Hamilton stated the plan has been around from a long time but SMLD will really have very minor responsibilities. Hamilton added SMLD has already done a lot of work and most of the lines have been prepared to go underground. Stelmach asked Hamilton to check DPW's expectations for SMLD and estimated cost. Stelmach stated this should be an item for a future agenda.

SLCTV (Community Access Television)

Stelmach commented that possibly SMLD could swap the copiers for some audio equipment. However, it will be important to tackle the audio issue. Rivers said there is a road map but will follow up with the Selectmen.

7:45 Upon motion made by Rivers and seconded by Pape, it was unanimously RESOLVED by the Board: to contact the Board of Selectmen again to request that they formally ask the SLCT to provide audio equipment that could be permanently installed, and the Chairman to send them a formal letter.

(Vote: Rivers aye, Stelmach aye, and Pape aye)

NEW BUSINESS

Audit Results (vote)

Hamilton presented the audit report for 2010 audit and noted he did not have a hand in the process that led to this. SMLD does not do their own financial statements and the advisor wanted the SMLD to present a package to him. Hamilton asserted the financial advisor Jim Goulet did not see any major problems with Arsenualt's work but had some recommendations to tweak the process. As for monitoring, they wanted to make sure that someone checks the purchases against the purchase order; however, the financial advisor just wanted SMLD to establish a process. FEMA receivable for 2010 were not recorded into 2010 and they have not been fully accepted until February 2011. As for information back up, Hamilton said that they have back up right now but the new billing system will enhance it.

Hamilton also stated that the \$176,248 from FEMA was received and put in the bank, and he suggested that this get into the working capital as per recommendations from MMWEC. Jay Kline from MMWEC recommended that the SMLD increase their working capital. 7:50pm Rivers moved to transfer the received FEMA \$176,248 into the working capital. Motion seconded by Pape. Roll call vote: Rivers aye, Stelmach aye, Pape aye. Unanimously approved by the Board.

Hamilton commented that he would like the Board to vote on the results of the audit report. Stelmach noted that they still need sometime to go through the report before making a vote.

OPEB FUND (Vote)

Hamilton stated that he would like to increase the contribution to the OPEB fund. Stelmach asked what is the current funding. Hamilton replied that it is now \$5,000/month. Stelmach said that it is a good amount for the time being but could increase in the future. Pape and Rivers agreed also to keep it as it is for the time being.

URD UPGRADES

Hamilton said that SMLD did electrical work into Tangelwood Road but still would need the Secondary construction work. Rivers asked when was Tangelwood main electrical was changed and how many service calls they got ever since pertaining to the secondary. Hamilton replied that it was done two years ago and had two service calls. Hamilton pointed out this issue would be coming out in the next budget since he will need to buy more supplies.

WORKING CAPITAL ASSESSMENT

Hamilton said that he already talked about that in the previous discussions.

FARM ENERGY RATE

Hamilton pointed out that it is a Massachusetts Department of Agriculture law which requires farms to get a special discounted rate. Board members asked how SMDL determines "farms". Hamilton replied that they do not but the people should send them a letter or show they qualify, and SMLD is not the one which makes the determination.

CUSTOMER PARKING

Pape stated that the previous SMLD leadership did not allow customers to park in the driveway when there is an event or something. Hamilton explained that they put cones in front of the garage to prevent people from parking there. He does not want blockage to the access doors because it happened before that the trucks could not get out for an emergency service. Hamilton also said that he put a notice in the Church's bulletin about that, and there is no problem to park any where except in front of the access doors. Pape said that the barrels make people think they cannot park there at all. Hamilton said that Courville looked into doing different things but the barrels seem to be the only thing that works so far. Pape asked Hamilton if he could make it friendlier.

CUSTOMER COMMENTS

Russ Leavitt (Bean Road) expressed his concern for the need for greener renewable energy. He noted he was interested in energy sources which has no implications on the environment with regards to waste or pollution (like wind or solar). He wanted to know how much of SMLD's power come from renewable power sources. Hamilton explained SMLD has met State level of 20% . SMLD has currently wind, hydro, and solar sources from New York and the Berkshires, and also power vendors looking for opportunities in solar. Hamilton added that also nuclear has been a reliable source of power and they undergo rigorous testing. Hamilton stated that they need to diversify portfolio of power and not depend on one source only. Stelmach added that SMLD is ahead of other municipal light departments in its portfolio. Also, he explained that the Board would be discussing renewable energy under the executive session and it will yield very good results. Leavitt asked about how to encourage homeowners and small businesses to seek renewable power sources. Rivers replied that there was not established policy before but now with net metering, SMLD will be able to handle it. Rivers asserted that SMLD is committed to green power but also want to make sure it is economically sensible.

NEXT BOARD MEETING

Next Regular Meeting will be on June 30th, 2011 at 7:00pm.

EXECUTIVE SESSION


8:28pm Rivers moved to go into 2 Executive Sessions DEP Audit-in accordance with MGL Chapter 164: section 47D "to discuss strategy with respect to collective bargaining or litigation, if

an open meeting may have a detrimental effect on the bargaining or litigation position of the governmental body". and for Renewable Energy Portfolio- in accordance with MGL Chapter 164: section 47 D as is "necessary for protecting trade secrets, confidential, competitively sensitive or other proprietary information". Motion seconded by Pape. Roll call vote: Rivers aye, Stelmach aye, and Pape aye. Unanimously approved by the Board.

MOTION TO ADJOURN

8:44pm Rivers moved to adjourn open session meeting. Motion seconded by Pape. Rivers aye, Stelmach aye, Pape aye. Unanimously approved by the Board. Meeting Adjourned.

ATTEST:


George Pape, Clerk

DATE:

9/8/11

List of Referenced Documents:

- ❖ DPW Minutes Of Meeting May 10th, 2011
- ❖ Letter From Jay Kline Dated May 23rd, 2011 (For The PPA)
- ❖ SMLD Reconnect Fee for Non-Payment
- ❖ SMLD: comparison of KWH sales 2011-2010, Comparison KWH Sales 2006-2011, Net \$ Comparison 2006-2011, Account Balances, billing cost, primary upgrade only
- ❖ Audit report