

**STERLING MUNICIPAL LIGHT DEPARTMENT
MEETING MINUTES**

DATE: Monday, October 25th, 2010
LOCATION SMLD Conference Room, 50 Main Street, Sterling, MA

BOARD MEMBERS: Matthew Stelmach (Stelmach), Chairman
Michael Rivers (Rivers), Clerk

TRANSITION TEAM: Chris Courville (Courville)-Operations Supervisor
Gregory DeStasi-Interim Manager
Sandy Pellecchia-Office Administrator

MINUTES: Naglaa Elshamy (Elshamy)

5:05pm Meeting brought to order. Stelmach opens the meeting with a Roll Call Attendance, Rivers aye, and Stelmach aye. Also the transition team present.

APPROVAL OF THE AGENDA

Stelmach opens first item which is approval of the agenda. Rivers suggested scheduling the "Next Meeting Date" at the end of the meeting. Rivers suggested deleting item #2 from the agenda which is "Approval of Minutes" and postponing that discussion till the next meeting. Rivers moved to postpone discussing the approval of minutes till the next meeting. Motion seconded by Stelmach. Roll call vote: Rivers aye, Stelmach aye. Motion approved by the Board.

GM SEARCH SUB COMMITTEE UPDATE

Stelmach asked Rivers (as liaison to GM Search Sub-committee) for an update on the search for a new GM. Rivers noted that they have received about 16 resumes and they already interviewed 8 of them. The committee ranked the candidates according to preference, he recommended scheduling an initial interview, and start on November first at 6pm. Rivers requested to hold any announcements on the candidates until further recommendations from the committee. He added that the agenda would be strictly for interviews. Stelmach agreed and noted that they could do an executive session after that if needed. Rivers also asked to set a second date for interviews.

TRANSITION TEAM UPDATES

Operation update from last day of August noted that the Justice Hill conversion has got up to Hardscrabble Road, as well as South Nelson Road which will be next in converting the road there. The Sterling Fair was a success. Rivers asked how the fair process works in relation to the SMLD, and whether the SMLD bills the fair for the usage. DeStasi replied that the Fair only pays for the usage but that the Fair Committee also asks that an SMLD stand-by team be available just for Friday night for three hours, which often requires overtime or double time. Stelmach asked if SMLD tracks time given to the Town. DeStasi replied that Arsenault keeps track of the time in a spread sheet. In addition 2 URD services failed on Chace Hill Road, and there are 2 new commercial URDs on Pratts Junction Road.

Arsenault said that FEMA will be reimbursing SMLD \$72,700 which has not come in yet. Macquarie buy down will be treated as a power purchase. OPEB liability was only a journal entry. As for Integris (Macquarie), there is a huge bill which they do not have this year so the power cost went down significantly about \$50,000.

SALES SUMMARY

Sales estimate sees that they will be higher about 3%-5% more than the same time last time. Towards the end of the year they should be a bit higher in the estimate as well.

OTHER BUSINESS

Municipal Financial Advisor

Stelmach notes that the financial advisor has visited the office. DeStasi noted that the financial advisor spent a lot of time with Arsenault. The financial advisor inquired about the way they do books, the DPU report, and commented that he was very pleased with what he found so far. Stelmach noted that he would stress with him the asset tracking.

Board Member Resignation

Stelmach asked DeStasi if he has heard from the counsel about the process. DeStasi replied that he did not get a reply yet and also did not see any special Sterling policy in this regards. Rivers commented that he has asked the town clerk if there have been any resignation papers at her office. She noted that she was forwarded something from the Selectmen and she would be forwarding that to SMLD. Stelmach expressed concern about the 30 day period. Rivers asked the Chairman to notify the Board of Selectmen with the letter of intent for the Light Board to participate in the vote to fill the open Light Board vacancy after member Coughlin's unexpected resignation. Stelmach pointed out the concern over the 30day period and when it gets started, and noted that there was a draft letter that he could share with the Selectmen. Rivers suggested requesting to be on the Selectmen agenda for the next possible meeting (in two weeks). Stelmach noted confusion that the letter he received second-hand from Coughlin mentions retirement. Stelmach doesn't believe an elected official can resign. Rivers commented that SMLD knew about the resignation from the Selectmen, rather than firsthand or from the Town Clerk. The Town Clerk is supposed to notify the remaining Board members in writing, and so far has not done so. Rivers noted that the law seems to indicate that the remaining Board members should be involved in the selection of a new candidate. Rivers moved to have the Chairman, as soon as possible, but no later than October 27th, draft a letter to be sent out by email and followed by a mail copy to the Board of Selectmen informing them of the Board's decision to form a joint committee in the selection process. Motion seconded by Stelmach. Roll call vote: Rivers aye, Stelmach aye. Motion approved by the Board.

Mueller Prepayment

Stelmach asked for updates. DeStasi said that they will be drafting a letter. Rivers asked if Mueller understands that they will not be paid by the SMLD until the remaining questions about the contract have been resolved and clarified to everyone's satisfaction.

SMLD Policy Manual

Stelmach said that they received comments from the Senior/key staff at SMLD, and he looked at the Town of Sterling Manual, Groton's Manual, the SMLD's Manual. Stelmach asked if they had records of the manual as it was before the edits, and hoped to see a tracking of the changes. Moving forward, Stelmach believed that there is considerable clean up that will be needed for the document. Rivers agreed that is a priority, and it will be the duty of the new manager to make sure the required changes happen. He added that it is very disappointing to him as a rate-payer that past Light Boards allowed it reached that point but he hoped to get that resolved.

Increased Year End Early-Payment Discount

DeStasi noted to the Board that it has usually been done for one month between 50%- 25%. His recommendation is to do it for one month and only for 25% (prior to the holidays), since the SMLD already gives a 10% discount on all the other months. Rivers agreed that he favors the 25% discount. Stelmach also agreed and said that he personally supports the 25% discount based on the recommendation of the interim manager and until the financial report comes back from the financial advisor. Rivers moved to authorize the interim manager to offer a one month 25% discount to residential customers of their energy bill. Motion seconded by Stelmach. Roll call vote: Rivers aye, Stelmach aye. Motion approved by the Board.

F. Holiday Lighting Contest

DeStasi said that he would like to continue the tradition but the question would be on how to choose the judges. Stelmach asked who the judges were. Arsenault commented that there were usually three chosen from

the community and one from SMLD. Rivers commented that it will be good to have the new manager be part of the selection committee. Stelmach suggested having three town residents and asking for volunteers from different Town Board's.

G. Warrant Review Process

Stelmach noted that he needed to thoroughly study this issue since he would like to learn all the details about the process. Stelmach asked about how they get it ready, in what time frame, and the process for notifying the Board. He also asked about the status of the warrant that goes to the town without the proper signatures. Rivers agreed and suggested to get the warrant coincide with every Board meeting and maybe also in another time. This would help the SMLD Board ask any relevant questions and get answers from the designated people. Arsenault said that the warrants are scheduled through the Town of Sterling and every two weeks the staff prepare the received invoices for payment and get all the paperwork ready. Payroll happens on Mondays typically, and staff will have them ready on Thursday nights for Manager's signature on Friday. DeStasi commented that he would like to have them ready in a more timely fashion. Stelmach asked why he gets a call on Tuesday afternoon for his signature, and noted that he expected to have a cut off date and the review the warrants on Monday nights or before the meetings. Stelmach asked about how to get notified as a Board. Rivers said he has no problem with getting an email. Arsenault commented that a designated staff member will be notifying the Board and preparing the paperwork for their signatures. Stelmach suggested having "warrants" as a regular item on the Board's agenda. Rivers expressed concern over payroll payments that are out of the normal, so they have to be passed by the Board first for approval. He also added that the Board needs to know about bills that can incur interests so they make prompt payments and avoid any penalty. Rivers sought to know the warrant schedules so the Board is prepared to act quickly.

H. Contract Renewals

Stelmach suggested not renewing any contracts at that time until the new manager can make his assessment over their need and validity. Stelmach said that it is good to review contracts when they are up for renewal and this should be one of the new manager's responsibilities. Rivers commented that tax payers should not be paying for any extra expenses, for example under the duplicated insurance contracts and office equipment maintenance. Stelmach noted that the SMLD should review services that could be done in-house vs. outsourcing, and this should be one of the new manager's priorities. Rivers said that they should be able to present to the new manager what has been done.

CUSTOMER COMMENTS

A customer expressed concern over the notification that the dispatch center has to handle their calls with regards to generator issues. Stelmach noted that if there was a regional dispatch then it will mean that this service will not happen like that. Audience discussed dispatch options.

EXECUTIVE SESSION

7:00pm Rivers moved to go into executive session to conduct strategy sessions in preparation for negotiations with nonunion personnel" as is necessary for protecting other proprietary information" only to return to general session just to adjourn. Motion seconded by Stelmach. Roll call vote: Rivers aye, Stelmach aye. Motion approved by the Board.

**NEXT BOARD MEETING (NOVEMBER 01, 2010 AT 6:00 P.M.)
MEETING ADJOURNED**

ATTEST:



Michael Rivers, Clerk

DATE:

06/10/11