

**STERLING MUNICIPAL LIGHT DEPARTMENT
MEETING MINUTES
REGULAR SESSION**

DATE: Tuesday, September 30th, 2011
LOCATION: SMLD Conference Room, 50 Main Street,
Sterling, MA

BOARD MEMBERS: Matthew Stelmach (Stelmach), Chairman
Michael Rivers (Rivers), Vice-Chairman
George Pape (Pape), Clerk

SMLD STAFF: Sean Hamilton (Hamilton)– Manager

MINUTES: Naglaa Elshamy (Elshamy)

4:20pm Meeting brought to order. Stelmach opens the meeting with a Roll Call Attendance Vote, Rivers aye, Pape aye, and Stelmach aye.

APPROVAL OF THE AGENDA

Stelmach opens first item, which is approval of the agenda. 4:21pm Pape moved to approve the agenda as presented. Motion seconded by Rivers. Roll call vote: Rivers aye, Stelmach aye, and Pape aye. Unanimously approved by the Board.

APPROVAL OF MINUTES

Board members reviewed minutes of the Regular Session from the previous meeting of September 6th, 2011. Stelmach noted that the Board will review those minutes in the Regular meeting session while the Executive Sessions' minutes would be discussed in the Executive Sessions. Rivers, Stelmach, and Hamilton noted some editorial corrections. Stelmach thought that the minutes were well written. 4:25pm Rivers moved to approve the minutes of the Regular Session for September 6th, 2011 with modifications. Motion seconded by Pape. Roll call vote: Rivers aye, Stelmach aye, and Pape aye. Unanimously approved by the Board.

REVIEW OF WARRANTS

Stelmach asked Hamilton if he had anything he wanted to speak about. Hamilton noted that he wanted to give a quick follow up from the last warrant with regards to the chainsaws. He commented that each of the three-bucket trucks has a large saw and a small bucket saw, also the Digger Derrick has one. They need to keep the saws in the trucks just in case they needed them. Hamilton added that they are now moving towards an ID system where Christine Arsenault (Arsenault) is tracking them and their serial numbers so they can bring those records up to date. Another invoice that Hamilton mentioned was the annual maintenance of the phone system, which is about \$1,200/year. The contract expires July 1st. It seems like a good deal but Hamilton asserted that he is still looking for a better deal. Stelmach commented that the issue now is that SMLD is investing heavily in computer infrastructure and the phone system needs to keep up with that. Hamilton replied that the system is antiquated, and this is an issue that he is keeping an eye on.

Hamilton also noted that there is a hurricane bill from Princeton and likewise SMLD billed New Hampshire. In addition, another issue that he is still looking at was the audit for the uniforms, which is still in process. It is a 5-year contract. Rivers stressed upon the issue of asset tags. Hamilton said that they are phasing out tree crew. Tree work is better done in the fall and winter.

MANAGER'S REPORT

Hamilton stated that he met with Sue Staudaher from the Sterling Meeting House News and she will write an article about SMLD in the upcoming issue. Stelmach asked if she will send out a draft for review before publishing. Hamilton said that she usually covers the issues well, but he hoped she would be sending out her draft. Hamilton talked about the Renewable Greenhouse Gas Initiatives (RGGI), which is more of a tax on carbon emitting generators. They do not give it back to municipals. This is almost a \$12 million loss to Massachusetts's municipals and is about \$43,000/year loss to Sterling. Hamilton noted that he is working on comprehensive energy efficient programs that they can recognize to try to get those funds back. Legislation that was filed two years ago is getting traction and hopefully it will move forward. Stelmach mentioned Tom Josie from Shrewsbury who was very active in this huge campaign to have town buildings be energy efficient. Rivers said that there must be a discussion that SMLD could do in a future agenda to push energy efficiency in Sterling.

Hamilton also reported that insulation was put in the building and it made a huge impact. Rivers asked if Hamilton talked with Mr. Rutherford to try to change the town to have energy efficient lights. Hamilton replied that he did talk with him.

Pape asked about sharing equipment with other towns. Hamilton said that he just sent out an email about that.

FEMA wires have all been replaced, cables on all roads such as Wiles, Pratt's, Osgood, Holden, etc. The work was finished 6 weeks earlier than planned. Hamilton commended Chris Courville's team.

Hamilton said that he got a call from Habitat for Humanity, which is doing some work on Myrtle Ave, and looking for a break on the temporary service, which is \$275. Rivers said that we cannot use taxpayer's money to support a non-profit. Stelmach and Pape agreed that it will be setting precedence. Hamilton stated that they will be treated like any other customer.

OLD BUSINESS

Rate Study/Rate Changes:

Stelmach said that Hamilton should be presenting something about the Rate Study. Hamilton replied that he has forwarded the study to the Board and it looked good but he has some questions that he would resolve in an upcoming meeting. Stelmach noted that this might be an agenda item for next meeting. Rivers believed that this was a good timing since it is the time for Town budgeting.

Billing System

Hamilton said that they are still converting the files and it should get completed by end of November, and they have everything they need. It will take two months of trial and then go live. Rivers pointed out the capital asset plan so as to track down depreciation. Rivers also recommended reviewing it under a future agenda. Stelmach noted that April is probably the month when SMLD will have all billing and metering systems up and running. Hamilton said it is probably by the end of April just to be on the safe side.

Smart Meters

Pape asked if customers could be paying for manual meter reading if they chose to have them read. It has been tried in other states. Hamilton asserted that this was just an extension of all the electrical appliances we have. Stelmach added that there is a whole question about privacy.

NEW BUSINESS

OPEB Trust Fund (vote)

Hamilton said OPEB is other post employment benefits. Legislation passed through the State allows SMLD to control it, and now they are also already funding it. Rivers asked if there is oversee to the budget. Hamilton said that through the membership in MMWEC, the SMLD will be able to monitor it. Rivers asked if the Board will get a break down of costs. Hamilton said that everything will be online and itemized. Rivers asked if Hamilton needed a vote on that. Hamilton replied that the vote would be first to open the Fund and then to transfer money into it.

Stelmach and Rivers commented about the need to talk with the new town Treasurer in this regards.

5:05pm Rivers moved to adopt the OPEB liability trust to be managed by MMWEC in the OPEB Declaration of Trust and further to attach it to the this minutes. Motion seconded by Pape. Roll call vote: Rivers aye, Stelmach aye, and Pape aye. Unanimously approved by the Board.

Banking and Investment Strategies

Rivers declared that this will go well with the Town's current search for an accountant and treasurer. Rivers said that one of the things that needed to be addressed in the future is to discuss with the treasurer how the SMLD funds are being invested. It is a responsibility towards the ratepayers. Stelmach agreed and said that there is no one who is just appointed to monitor those accounts in town and so it is SMLD's responsibility to keep an eye on it. Rivers said that they just could talk with the treasurer about how the SMLD's long term and short term goals. Rivers added to just give direction to the treasurer. The representative at the investment company said that the treasurer could give authorization to SMLD to be able to contact them directly. Rivers said that he would like a vote to have the treasurer authorize the Board to make direct contact with the investment company. Stelmach argued that this would be micromangement and more work to the Board. However, the Board needed to definitely get periodic reports and deal directly with the town treasurer and not add more work on the Board. Pape said that by law, the treasurer is the one who is responsible for directly managing those investments. Stelmach asserted that the Board should be getting some kind of a statement on how the SMLD accounts are doing. Moreover, as soon as the new treasurer starts working, the Board should make sure they know the SMLD investment goals.

Depreciation Account Transfers (vote)

Hamilton stated that to reconcile with the operating cash, he would need to make a transfer from the depreciation fund to the working capital fund. Hamilton remarked that by next year he will need a capital tool budget. 5:20pm Rivers moved to transfer \$120,000 out of the depreciation fund into the operating cash subject to the Manager discussing with the treasurer and investing company according to their schedule. Motion seconded by Pape. Roll call vote: Rivers aye, Stelmach aye, and Pape aye. Unanimously approved by the Board.

Update on Tree Trimming (cost YTD, effectiveness)

Hamilton noted that he has a budget of 62,000/year and the fall is a good time of the year to do tree trimming with the bigger impact. Stelmach asserted that the Board would need to do a cost analysis since it is a major decision to eliminate the tree crew. Stelmach said that he never had a comfort level with the real cost of the tree crew. Hamilton responded that the real advantage is that all the FEMA work has been done 6 weeks ahead of schedule.

DPW Vehicle Repair Update

Hamilton commended the DPW on taking care of the SMLD trucks and anticipating problems. They do general oversight, change oils etc. Pape asked about how they bill SMLD for their services. Hamilton replied that SMLD only pays for the parts and material.

End of Yes-December Discount/Lighting Contest/Town Common lights

Stelmach said that the discussion would start with the December end of year discount. Hamilton commented that for example some customers say that they are not even available in town to enjoy that discount. The December discount gives only about \$15 discount just for that month. With the current rates, breaking it down, you are looking into about \$179 discount per year. Stelmach said that the way things are going on now is that everything is being constantly monitored, and he agreed with Hamilton, that at the end, the goal is to reduce rates overall for everyone. Rivers suggested that Hamilton put something on the bill saying how the SMLD is giving better discounts and taking away the December discount. Hamilton said that he will probably have something about that in the coming newsletter by saying that the discounts will be given for the 12 months instead of just one month.

As for the lighting contest, Hamilton said that this sends the wrong message since the emphasis now is on conserving energy. He does not think it is a good timing to do it.

CUSTOMER COMMENTS

No customer comments.

NEXT BOARD MEETING

Next Regular Meeting will be on November 1st, 2011 at 5:00pm.

8:10pm Rivers moved to go into 2 consecutive Executive Sessions the first Energy Portfolio-In accordance with MGL Chapter 164: Section 47D as is "necessary for protecting trade secrets, confidential, competitively sensitive or other proprietary information" to discuss our perspective on Renewable Energy Portfolio, and the second in accordance with MGL Chapter 30A: Section 21, "to conduct strategy sessions in preparation for negotiations with nonunion personnel" to discuss the perspective changes to Personnel Policy only to resume Regular Session to adjourn. Motion seconded by Pape. Roll call vote: Rivers aye, Pape aye, and Stelmach aye. Unanimously approved by the Board.

MOTION TO ADJOURN

Rivers moved to adjourn regular session meeting. Motion seconded by Pape. Rivers aye, Stelmach aye and Pape aye. Unanimously approved by the Board. Meeting Adjourned.

ATTEST:



George Pape, Clerk

DATE:

12/14/11

List of Referenced Documents:

- ❖ SMLD Rate Comparison Chart-Old Rates to Current Rates
- ❖ Depreciation Transfers-September 30, 2011.
- ❖ SMLD: comparison of KWH sales 2011-2010, Comparison KWH Sales 2006-2011 (Estimate/Actual), Net \$ Comparison 2006-2011, Operating Cash, Depreciation, Rate Stabilization, 2010 Rate Stabilization, Meter Deposit, And Working Capital Comparison, Reserve Trust Table.
- ❖ Requisition Made Easy –flyer from SEDC
- ❖ OPEB Declaration of Trust