

WEST BOYLSTON MUNICIPAL LIGHTING PLANT

4 Crescent Street, West Boylston, Massachusetts 01583

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Board of Light Commission, Regular Session Meeting Minutes March 13, 2012

Present: Board members, Winthrop Handy, Anthony Meola Jr, and William Smith, and GM Jonathan Fitch.

The meeting was called to order at 5:10pm by Chairman Winthrop Handy.

Agenda: The Board approved the agenda without changes.

Meeting Minutes: The Board reviewed and approved the meeting minutes dated February 7, 2012.

Bank Balances: The Board reviewed the attached bank balances as of February 29, 2012.

Financial Audit: The 2011 annual financial audit is underway. The Board reviewed the draft 2011 income statement. The GM provided the Board with a shortened version of February's electric revenues and payroll expenses. The Board liked this shorter version of the monthly cash flow and would like to see it monthly.

115kV Substation Project: The project is fully permitted. WBMLP and BMLD will go out to bid for the various electrical equipment and construction activities soon. WBMLP's project cost is approximately \$2M. We expect to start work on the project in July/August 2012 and finish by January 2013.

The Board of Selectman approved the inclusion of a warrant article at the next annual Town Meeting to finance the substation project through a traditional bond. This is least costly method to finance the project but it does require 2/3 voter approval at Town Meeting.

2011 Annual Report: See attached draft. The Board reviewed the 2011 Annual Report and the GM will submit to the town.

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Capital Project List: See attached list of proposed capital projects. The new garage and (2) bucket trucks are the next largest capital expenditures.

Generator and Furnace: The new generator and natural gas furnace is installed and operational.

Solar Project Proposal: The Town is expected to issue an RFP for the private use/development of the Town's 35 acre lot on Paul Tivnan Drive.

OPEB Trust: Post-employment benefits to retirees from WBMLP include health insurance and life insurance. Currently, WBMLP provides health insurance to (15) retired employees. Based on the contributions from WBMLP this cost us approximately \$67,000 annually. Life insurance is provided to (10) employees and its cost approximately \$400.00 annually. At some time in the future, the board should discuss retiree health benefit's contribution. The percent contributed by WBMLP varies from 73% - 87%. I would recommend the Board set the percentage equal the current employee contributions by the Town (60/80/80).

Both of these post-employment benefits are considered unfunded liabilities and our accountants are recommending the use of an OPEB trust account. The amount we contribute to an OPEB trust account is the combination of \$68k, the normal amount we pay annually in contributions, plus the amortize amount per year to create a trust account to the point it is self-sufficient.

Groton, Shrewsbury, Boylston, and Paxton have established an OPEB fund. WBMLP

The Board continued their discussion on this topic and no decision was made. Commissioner Meola pointed out that the trust is irrevocable so he has concerns about earmarking that money for one use. The GM will get WBMLP's accounting firm to come speak to the board about this subject at a future date.

Oakdale Hydro: MWRA is still evaluating our demand.

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HB3896: HB3896 mandates that existing MLP's charge its customers a renewable energy and conservation charge and require the MLP's to meet the states RPS standard. In order to meet the requirements of this proposed bill, WBMLP would have to increase rates 6% to collect the \$550k in new mandates. WBMLP continues to watch the progress of this bill.

Other: Energy Audit at Library.

The meeting adjourned at 7:45pm

Winthrop Handy, Chairman

Anthony Meola Jr,

William Smith