

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 5, 2013

Present: Board members, Winthrop Handy and William Smith, and GM Jonathan Fitch were present. Attorney Steve Doucette was present as well.

The meeting was called to order at 5:000 pm by Chairman Anthony Meola

Agenda: The Board approved the agenda without changes

Executive Session: The board did not go into executive session to discuss GM performance FY2012

Oakdale Hydro: Mr. Fitch and Attorney Doucette summarized the current status of the billing dispute with MWRA. On February 27th both had met with MWRA and MMWEC to discuss the billing dispute. Both parties are proposing to our respective boards that we settle the dispute by ending the current contract completely and neither party getting any settlement.

WBMLP was seeking \$249.5k from MWRA. MWRA was going to seek \$398k in correction of past errors plus over \$700k from May 2011 till the end of the contract, June 30, 2014. The case could end up in court, arbitration, or both.

WBMLP would incur its own attorney costs plus we may also be responsible for MMWEC legal costs.

The main reason is that our contract ends in June 2014 and MWRA will not consider renewing or extending with WBMLP. Plus Oakdale has been under construction since October 2012 and will remain so through April/May 2013, it's prudent to consider settling.

The Board discussed the settlement proposal. Commission Handy made a motion to settle the billing dispute by ending the PPA effective immediately and ending our demand for reimbursement of the amount disputed.

Commissioner Smith seconded the motion and both voted to approve the motion (2-0).

Meeting Minutes: Commission Handy made a motion to approve the February 5, 2013 meeting minutes. Commissioner Smith seconded the motion and both voted to approve the February 5, 2013 meeting minutes.

Customer Issues: WBMLP and the Town were able to add the \$12k due from 29 Prospect Street account to the annual tax bill. As a result the mortgage holder paid half the total amount due for the overdue electricity account.

Investment Accounts: Mr. Fitch met with Flynn Financial to review our banking investments. He will provide some options to increase the interest/return rate while still managing risk. He is schedule to return at 1:00pm, March 7th to review his recommendations.

2012 Financial Statements: See attached draft income statement and bank balances.

2014 Retirement Assessment: The 2013 retirement assessment for WBMLP was \$103,780.82. This assessment was based on a ratio between the annual wages paid to full time employee wages at WBMLP and the annual wages paid to Town employees.

The 2014 assessment is \$129,118. The increase is due to the retirement system using an actuarial based annual assessment which is more accurate that previously calculations. WBMLP was actually underpaying is share of the retirement costs until now. The FY2015 annual assessment will increase for WBMLP as well, since the actuarial method will be fully phased in by then.

Garage Replacement: The foundation and footing work started March 4th.

115kV Substation Replacement: Construction activities are well underway. Most of the equipment will arrive on-site in March.

Solar PPA: Borrego finished their review of the PPA. Our attorney received their comments and sent back our revisions. We are waiting on

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Borrego's final comments. Once the PPA is complete, the Board will have to vote on whether or not to execute the agreement.

New Bucket Truck: Delivery of the new material handler is tentatively set for March/April 2013.

Other: None

The meeting adjourned at 6:30pm.

Anthony Meola Jr, Chairman

Winthrop Handy

William Smith