

**Littleton Light and Water Departments
Board of Commissioners Meeting
Minutes – January 25, 2006**

Present for the meeting:

Commissioners: Bruce Trumbull, Tom Rauker, Joe Cataldo

General Manager: Savas Danos

Assistant General Manager: Scott Edwards

Staff: Jennifer Pederson, Jerry Young, Kevin Goddard, John Lanciani, Nick Lawler, Brian Pierce, Mike Allan, Dave Lizotte, Scott Larsen, Tom Taylor, Dick Taylor, John Driscoll

Meeting called to order: 7:20 PM

- 1) Approve Agenda—GM Danos requested two additions to the agenda. General 2 c) Board Composition Update. Light Department, Financials 3) Working Capital Transfer. The Board approved the agenda as amended.
- 2) Approve Minutes
 - a. Dec. 7 2005 – On a motion made by Commissioner Rauker and seconded by Commissioner Cataldo, the Board voted to approve the minutes as written. **The Vote: Trumbull – Yes, Cataldo – Yes, Rauker – Yes.**
 - b. Executive Session Dec. 7, 2005 -- On a motion made by Commissioner Rauker and seconded by Commissioner Cataldo, the Board voted to approve the minutes as written. **The Vote: Trumbull – Yes, Cataldo – Yes, Rauker – Yes.**
 - c. Board Composition Update – Danos stated that Chairman Gruskowski has submitted his resignation due to issues with his business conflicting with his role on the Board. Commissioner Rauker stated that Chairman Gruskowski needs to submit his resignation to the Town Clerk, not to the Board. Danos stated that with Chairman Gruskowski stepping down then Commissioner Trumbull would assume the chairmanship. Both Commissioner Trumbull and Commissioner Gruskowski are up for reelection this year. Danos stated that the Board just needed a quorum of three to operate. Commissioner Trumbull expressed some concern about having an even number of members at a meeting. Given the short time frame before the next election, the Board decided not to appoint a new member. On a motion made by Commissioner Cataldo and seconded by Commissioner Rauker, the Board voted to operate with four members until the Town elections in May. **The Vote: Trumbull – Yes, Cataldo – Yes, Rauker – Yes.** Secretary Cataldo will move up to be Vice Chair of the Board.
- 3) Employee Updates:

**Littleton Light and Water Departments
Board of Commissioners Meeting
Minutes – January 25, 2006**

- a. General Update – The Board reviewed the memo from Danos. The Board asked Scott Larsen how he was feeling and Scott said he was feeling good. Commissioner Trumbull wanted to make sure that the Department had expressed their condolences to Rich Haywood on the passing of his mother.
- b. Union Negotiations Mediation Update – **Executive Session** – At 8:34 PM a motion was made by Commissioner Rauker and seconded by Commissioner Cataldo and unanimously voted by roll call to enter into executive session for the purpose of discussing strategy with respect to collective bargaining and litigation if an open meeting may have a detrimental affect on the bargaining or litigation position and to return to the regularly scheduled session. **The Roll Call Vote: Rauker - Yes, Trumbull – Yes, Cataldo – Yes.**

The Board reconvened its regular meeting at 8:53 PM.

- c. Compensation Review Update – Danos stated that he has a consultant working on a proposal for a potential bonus program and that he will bring the study forward when it is complete. There is also a consultant working on developing a more meaningful review process.
- 4) Litigation Update for 2006 – The Board reviewed the memo from Danos. Commissioner Trumbull asked how much the Mass Development litigation is going to cost; Danos said \$25,000.00. Commissioner Trumbull asked how long the Mass Power litigation was going to take and how much of AGM Edwards' time it was going to take; AGM Edwards' said that it will probably be one day to be deposed and that the case is going to be heard in a special business court which fast tracks these kinds of cases. Danos said that we have probably spent \$12,000.00 on the NGET case. Commissioner Trumbull asked what the recent bill was from Rubin and Rudman; Danos stated that it was for work done last May that they sent us a bill for in November.
 - 5) Recommendation for LELWD General Counsel – Danos stated that Judy Pickett has left Pickett, Miyares and Harrington, PC. Danos stated that Judy does a lot of work for the Water Department on land acquisition issues. Town Counsel also does work on easements, bankruptcy claims and other business type work. Danos asked the Board for their recommendation on whether to stay with Pickett, Miyares and Harrington or to change to Brackett and Lucas. Commissioner Rauker stated that he appreciates the work that Judy has done for us and he wishes her well, but that Tom Harrington serves the Town well across the board.

**Littleton Light and Water Departments
Board of Commissioners Meeting
Minutes – January 25, 2006**

Commissioner Rauker also stated that he has a problem with a resident serving as Town Counsel. Commissioner Cataldo asked Business Manager Young who he works with and Young stated Tom Harrington. On a motion made by Commissioner Cataldo and seconded by Commissioner Rauker the Board voted to stay with Tom Harrington as our counsel. **The Vote: Trumbull – Yes, Cataldo – Yes, Rauker – Yes.**

- 6) Review of Street Light Bid and Surplus Vehicle Invitation – Danos stated that AGM Edwards has accepted the low bid of Graybar for the 50 and 100-watt fixtures for the street lights. Danos said the replacement was going to be one of the major capital projects for the year. Danos said the replacement will accommodate the Town's reduction in the budget line item while being able to maintain about 80% of the lights. Commissioner Trumbull asked what the current feeling was from the Finance Committee and Selectmen on the street light line item; Commissioner Rauker stated that it goes to Town meeting and the residents say yes or no. Commissioner Trumbull stated he has an issue with re-lamping fixtures that may go dark if the Town cuts the line item further. Danos stated that LELD has spent about \$10-15,000.00 on the electrical costs so far. Danos said that he will consult with the Police Chief who will determine which lights to shut off. Commissioner Trumbull stated that the Town cut the funds and we have to listen to them; they understood that the Town would be unlit. He doesn't want to spend the money if the Town is going to make further cuts. Danos stated he would talk to the Finance Committee and see if they intend to cut further, if they do then he will reconsider the purchase of the new fixtures.

The Board reviewed the Invitations to Bid on the surplus vehicles. Commissioner Rauker asked what starting bids were. Jennifer Pederson stated that there was no minimum on the Jimmy and it was \$2,000 for the water truck and \$10,000 on bucket truck. Commissioner Cataldo asked if employees could bid; Danos said that anyone can bid on them.

- 7) Update on 4 x 10 Work Week – Performance Data from December 2005 – Danos presented the Board with the first month's data on the 4 x 10 work week. Commissioner Cataldo said that he is not in favor of the program because we are a service industry and he feels we should be open 5 days a week. He said he would not have voted for it and expressed concern that the savings are not justifiable and that during the trial period there will be four 3-day work weeks. Danos stated that because of Commissioner Cataldo's concerns, the department conducted an email survey of our customers and he passed out the survey summary for the Board to review. Danos also stated that if the program continues after the trial then there will be a discussion with employees about dropping

**Littleton Light and Water Departments
Board of Commissioners Meeting
Minutes – January 25, 2006**

two holidays. Commissioner Trumbull stated that there was a discussion about holidays when they first reviewed the proposal; he likes the fact that the office is open until 5:00 p.m. and that the crews are out longer. He further stated that if customers opposed it, then he would oppose it; he felt that one month is too quick to pull the plug on the program. Commissioner Rauker stated that he wants to see the work done on overtime and see the impact; he stated that any savings could quickly be negated; he requested that an overtime analysis be added to the monthly update. Commissioner Rauker stated that he made his own phone calls and did not really receive any negative responses regarding the new work schedule; he said if public perception turns then the Board will need to react to it. Commissioner Cataldo agreed to allow the trial to continue, but he reiterated that he is not in favor of the program. AGM Edwards stated that this trial may allow us to look at other ways to increase productivity and improve customer service, such as having a skeleton crew on Fridays. Commissioner Trumbull said that would defeat the purpose of having the building cold and dark for three days. Commissioner Cataldo questioned AGM Edwards on whether he was asking the Board to consider the schedule year round. AGM Edwards stated that the trial period is to collect data and maybe there are better ways to do business for our customers that we should consider.

- 8) Letters – The Board reviewed without comment.

Electric Light Department:

Financials:

- 1) PCA and Stabilization Transfer Recommendation -- AGM Edwards stated that the market is controlled by natural gas and oil and for October, November and December, natural gas was almost three times what it has historically been, but that it has come down to closer to normal right now. He stated that nuclear and hydro plants have been unaffected. Commissioner Cataldo asked how long it takes to get a nuclear plant permitted; Danos responded that it was about 10 years to get it permitted and built. AGM said it is difficult to site nuclear and LNG facilities. On a motion made by Commissioner Rauker and seconded by Commissioner Cataldo, the Board voted to transfer \$375,000 from the Select settlement funds per the Select to Market adjustment worksheet.
The Vote: Trumbull – Yes, Cataldo – Yes, Rauker – Yes.
- 2) **2006 Revenue Projection and Budget -1st Draft** – The Board agreed to meet at a later date to have a discussion dedicated to the budget.

**Littleton Light and Water Departments
Board of Commissioners Meeting
Minutes – January 25, 2006**

- 3) Transfer to the Working Capital Account – On a motion made by Commissioner Rauker and seconded by Commissioner Cataldo, the Board voted to transfer \$448,473.00 from the Light Department's rate stabilization account to the Light Department's Working Capital Account with MMWEC. **The Vote: Trumbull – Yes, Cataldo – Yes, Rauker – Yes.**

Water Department:

New Business

1) Recommendation for 5% Rate Increase – Danos passed out a memo regarding some cost cutting measures for the Water Department including a recommendation to raise rates by 10%. Danos said the department is out of money and these measures will be implemented to try to avoid layoffs. Commissioner Cataldo asked if there were many housing starts projected; Danos said there were a few. Commissioner Cataldo asked if the department is forgiving connection fees on the low income units; Danos said the Board had agreed to waive them for the affordable units. Commissioner Trumbull asked if we should raise rates on new services; Danos said he would have to do a survey before that could be done, he said that all water department personnel are looking for ways to reduce costs over the next 6-10 weeks. Commissioner Trumbull stated that we cannot operate a department in a deficit and we need to investigate sources of revenue. Commissioner Cataldo asked if Nashoba Valley had taken water over the winter for snowmaking; Danos said they had taken it for their buildings, not for snowmaking. Danos reiterated that we are only waiving connection fees for the affordable units; Beaverbrook Road is the only 40B that the Board had voted on and they can consider each development individually. Commissioner Trumbull said a lot of the issues go back to building the new tower. Danos said that we have made a lot of capital improvements. Danos stated that Veryfine went into production yesterday and even though they are now at 60% of their capacity, they should be at 130% soon. Commissioner Trumbull asked how temporary the shortfall will be; Danos said we should come out of it by the end of the year by implementing these measures and increasing revenue. Commissioner Cataldo asked if a 10% increase in rates was enough; Danos said he would like to start with it. Commissioner Trumbull asked Danos to review all the measures. Danos outlined the measures in the memo including a change in the cell tower split; cost of service analysis; limits on discretionary overtime and wage reduction, comp time and approved days off without pay. Commissioner Trumbull asked how comp time affects the union contract; Danos stated the union agreed to it. Danos stated the savings in payroll could amount to approximate \$6,000 for

**Littleton Light and Water Departments
Board of Commissioners Meeting
Minutes – January 25, 2006**

the quarter. Danos stated his salary would be charged to the Light Department; Commissioner Cataldo asked that other shared staff be looked at as well. Commissioner Trumbull asked if that was legal; Business Manager Young stated that it should be represented properly for financial presentation. Business Manager Young reiterated that there were a lot of capital improvements and land purchase and that we need commercial revenue to cover the bond debt. Commissioner Cataldo stated we need to help ourselves now and that the Fin Com should know. Danos asked that the Board allow him to start the process on changing the cell tower split at Town meeting if things do not turn around. On a motion made by Commissioner Cataldo and seconded by Commissioner Rauker, the Board voted to approve a 10% water rate increase for all customer classes effective immediately.

The Vote: Trumbull – Yes, Cataldo – Yes, Rauker – Yes.

Financials:

- 1) Cash & Sales Reports – Through Dec 2005 -- Danos stated that the burden of the bond debt has not be offset by the revenue stream. Danos said this is the worst year for bond debt. Commissioner Rauker asked what happened to supplying water to Acton; Danos said it was put on the back burner and it would be a summer situation. Commissioner Cataldo asked about Kimball's using town water; Danos stated it would need to be for potable purposes.
- 2) Budget Summary through Dec (50%) – Danos stated we are on budget but that the revenue doesn't support it.

Commissioner Cataldo asked the cause of the recent water main break on Russell St. and wondered if the installation of the sewer line contributed to it. Danos said that it was beyond that and just a weak point in the pipe.

With no further business before the Board, on a motion made by Commissioner Rauker and seconded by Commissioner Cataldo, the Board voted unanimously to adjourn the meeting at 8:55 PM. **The Vote: Trumbull – Yes, Rauker—Yes, and Cataldo—Yes.**

Respectfully submitted,

Savas C. Danos

Date

Approved: April 5, 2006