

**Littleton Light and Water Departments  
Board of Commissioners Meeting  
Minutes – February 8, 2006**

Present for the meeting:

Commissioners: Bruce Trumbull, Joe McCumber, Joe Cataldo, Craig Gruskowski

General Manager: Savas Danos

Staff: Jennifer Pederson, Jerry Young, Kevin Goddard, Brian Pierce, Mike Allan, Dave Lizotte, Scott Larsen, Tom Taylor, Dick Taylor, Jon Stewart, Rob Hunt

Public: Don McIver, Jack Shimmel

Meeting called to order: 7:05 PM

- 1) Approve Agenda—The Board approved the agenda as written.
- 2) Approve Minutes
  - a. January 25, 2006– The Board tabled the vote until the next meeting.
  - b. Executive Session Jan. 25, 2006– Commissioner McCumber noticed that his name was inadvertently placed in the minutes. Jennifer Pederson will make the correction. The Board tabled the vote until the next meeting.
- 3) **2006 Revenue Projection and Budget -2<sup>nd</sup> Draft**—Danos went through various sheets in the budget packet, he stated that natural gas prices appear to be coming down. Littleton is not seeing the energy growth that the rest of New England is seeing. Danos stated that we were fortunate to have money in rate stabilization and from the Select settlement so that rates only increased 20% instead of 40%; he further stated that we are well below the IOUs and rates should be coming down in the future. Danos stated that based on Commissioner Rauker's request, the budget was broken down into cost percentages and that while power supply was 68% in 2004 it rose to 80% in 2005. Commissioner Cataldo stated that the erosion was not \$1 million dollars, it was really \$1.8 million; Danos replied in the affirmative. Commissioner Cataldo asked what was left in the cash reserve and Business Manager Young stated that there was nothing left in stabilization; there is only money left in the Select account. Commissioner Cataldo stated that things are worse than he thought and Danos assured him that things will rebound. There was a brief discussion on the vacancies in the service territory and the impact on usage. There was also a discussion regarding the cost per kWh. Commissioner Gruskowski stated that the Board would need to revisit the payment-in-lieu-of-taxes to the Town and the IT expenditures. Danos stated that he planned to revisit it in July; Commissioner Gruskowski stated that we should revisit it now and also suggested sending a letter to the Town. The Board discussed the use of the Select money and Danos stated that by the Board's vote, the funds used from the Select settlement are being used solely to replace the power that we need to purchase to replace the Select contract. Commissioner Cataldo stated that since we have gone through half of the money in six months then perhaps we should not lower rates as quickly if things rebound as projected. Commissioner

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Trumbull stated that we should also not lower rates until we put money back into rate stabilization. The Commissioners agreed that they would like to look at areas of the budget where there are increases and have detailed explanations given for each line item. They also suggested looking at discretionary spending. Commissioner McCumber inquired about the interest expense in line item 49 and Business Manager Young stated that the Treasurer paid it the last week in December, but he put it into January. The Board agreed to email specific questions to Danos and meet at 5:00 p.m. on Wednesday, March 1, 2006 to go over the budget in greater detail.

- 4) FYI – letters/reference materials
  - a. Cost Reduction – LWD recap – Commissioner Trumbull asked if Danos had looked at load shifting salaries; Danos stated that he and Business Manager Young had discussed it. Commissioner McCumber questioned the 10% rate increase versus the 5% originally proposed; Danos stated that upon further review he felt a 10% increase was necessary. Commissioner Gruskowski stated that he wants to put a discussion on the agenda for the next meeting about charging a surcharge for our high use customers; Danos stated that the discussion would be about implementing an ascending block rate. Commissioner McCumber questioned the appropriateness of switching the General Manager's salary to the Light Department. Business Manager Young explained that it would be inappropriate to not charge the Water Department; however, the Water Department does not have to pay the bill immediately. Danos stated that it would be booked as a liability against LELD. Commissioner Cataldo stated that it was going to be necessary to look at working capital and possible layoffs. Commissioner Gruskowski questioned whether this would be for the Water Department and Commissioner Cataldo responded that it should be for all departments. Commissioner McCumber noted that we could layoff the entire place and it wouldn't make a difference in the deficit. Commissioner Gruskowski questioned the Select buyout money; Danos stated that it is eroding quicker than we thought; however, natural gas prices are coming down. Commissioner Gruskowski requested that for the next meeting the Commissioners be given an update on what was projected for disbursements of the Select money versus what is actually being paid out.

At this time Commissioner Gruskowski asked the audience if they were in attendance for a particular reason and Brian Pierce stated that the linemen are attending because they have been without a contract for seven months and they find that unacceptable. There was a brief

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discussion about the role of the Board in representing the ratepayers and also about the status of the contract negotiations.

- b. RFP –Stormwater Management Manual –Danos informed the Board that the RFP has been distributed for the work to be done in creating a stormwater management manual with the \$20,000 grant from the State. Commissioner Trumbull questioned what the out of pocket expense would be for the department and Danos stated it would be only his time as in-kind services. Commissioner Trumbull requested Danos keep track of his time on the project. Commissioner Gruskowski asked whether this was related to the feasibility study for a sewer district; Danos stated they were different.
- c. Mass Development Update –Danos stated that a motion for summary judgment would be filed at the beginning of March. Commissioner McCumber questioned why the deadlines had been extended. Danos stated that the courts are behind and that there have been issues in scheduling depositions. Commissioner Gruskowski reiterated the Board's concern in the amount of money spent.
- d. Vision 300 Steering Committee –Danos stated that the Board of Selectmen asked for a representative from the Board of Commissioners to serve on the Vision 300 Steering Committee. On a motion made by Commissioner Cataldo and seconded by Commissioner McCumber, the Board voted to appoint Commissioner Trumbull to the committee. **The Vote: Cataldo—Yes, Gruskowski—Yes, McCumber—Yes, Trumbull—Abstain.**
- e. State of Energy – President Bush –Danos stated that the address was very brief on energy policy and he included the recap for the Board's information.

With no further business before the Board, on a motion made by Commissioner Cataldo and seconded by Commissioner McCumber, the Board voted unanimously to adjourn the meeting at 8:17 PM. **The Vote: Trumbull – Yes, McCumber—Yes, Cataldo—Yes and Gruskowski—Yes.**

**Respectfully submitted,**

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**Savas C. Danos**

**Date**

**Approved:** March 1, 2006