

**Littleton Light and Water Departments
Board of Commissioners Meeting
Minutes – May 25, 2005**

Present for the meeting:

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

General Manager: Savas Danos

Assistant General Manager: Scott Edwards

Staff: Kevin Goddard, John Lanciani, Jennifer Pederson, Jerry Young

Meeting called to order: 7:07 PM

- 1) Approve Agenda -- The Board unanimously approved the agenda as presented.
- 2) Approve Minutes
 - a. April 27, 2005 -- On a motion made by Commissioner Trumbull and seconded by Commissioner Cataldo, the Board voted to approve the minutes as written. **The Vote: Trumbull – Yes, Cataldo—Yes, McCumber – Yes.**
 - b. April 27, 2005 executive session -- On a motion made by Commissioner Trumbull and seconded by Commissioner Cataldo, the Board voted to approve the minutes as written. **The Vote: Trumbull – Yes, Cataldo—Yes, McCumber – Yes.**
- 3) Board Election for 2005/2006 – The Board proceeded with reorganizing with the election of new officers. Chairman – A motion was made by Commissioner Trumbull and seconded by Commissioner Cataldo and unanimously voted by the Board to elect Commissioner Gruskowski as Chairman. Vice Chairman – A motion was made by Commissioner Cataldo and seconded by Commissioner Gruskowski and unanimously voted by the Board to elect Commissioner Trumbull as Vice Chairman. Secretary/Clerk – A motion was made by Commissioner Trumbull and seconded by Commissioner Gruskowski and unanimously voted by the Board to elect Commissioner Cataldo, Secretary/Clerk.
- 4) Upcoming Dates
 - a. Field Trip for Schools FYI – The Board reviewed the Memo from Jennifer Pederson without comment.

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- 1) Vote to Re-Align Electric Rate Structure – Danos stated that staff was recommending that the base rate be raised by 1.5¢ and the PCA be reduced by 1.5¢ so that more of the cost of power is embedded in the base rate rather than the PCA. Danos stated that customers would not notice a difference because the increase occurred last month when the PCA was raised. Danos stated we are still well below the investor owned utilities. Commissioner Gruskowski asked if the increases were reflective of the cost to produce power; Danos stated it was. Commissioner Gruskowski asked if the cost to produce went down, would the rates follow; Danos stated the PCA would be adjusted. Commissioner Trumbull asked if the PCA was to compensate for the higher cost of power; Danos stated that the PCA should be a float. Commissioner Trumbull questioned whether there was enough room to reduce the PCA if it is 1¢; AGM Edwards stated that you could have a negative PCA if necessary, but that 1¢ was average in the industry. Commissioner Gruskowski asked if nuclear would be more popular; Commissioner McCumber stated there are a lot of new plants being proposed. On a motion made by Commissioner Rauker and seconded by Commissioner Gruskowski the Board voted to realign the electric rates for all rate classes as follows: Raise the base rate by 1.5¢ in each and all customer classes and lower the PCA charge by 1.5¢ in each and all customer classes and to make the rate effective 30 days from its appearance as a legal notice in a paper of general circulation. **The Vote: Trumbull—Yes, Rauker—Yes, Cataldo—Yes, McCumber—Yes, Gruskowski—Yes.**
- 2) Recommendation and Vote for LELD Power Supply Counsel – Danos stated that at the request of the Board, staff had interviewed several firms to handle power supply contracts and based on the interviews they would like to recommend that McDermott Will and Emery be retained as counsel. Danos stated that they were impressed with both firms, but they felt that McDermott Will and Emery were more innovative. Commissioner Trumbull questioned the difference in hourly rates between the two firms; AGM Edwards stated that he spoke with Greg Lawrence from McDermott Will and Emery and he is comfortable that they will be

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Danos stated that with the PGET bankruptcy and the Select contract being renegotiated he is confident that McDermott Will and Emery will handle these well. Commissioner Rauker asked if they represent other municipals and Danos stated not in New England. AGM Edwards stated that Darryl Rice who works out of the Washington D.C. office does a lot of work with municipals and cooperatives in that area. Edwards stated that the firm knew exactly what the issues were in buying power and they are familiar with NEPOOL and distressed generation. Commissioner McCumber stated that he would like AGM Edwards to document his discussions with Greg Lawrence regarding billing. Commissioner McCumber also asked if it would be beneficial to split the work between the two firms. Danos stated that we may need to in the future if there are conflicts, but he feels that it is better to have one firm to deal with the contracts. On a motion made by Commissioner Cataldo and seconded by Commissioner Rauker, the Board voted to hire McDermott Will and Emery as LELD's power supply/contract attorneys and authorized the General Manager to execute Terms of Engagement for this purpose beginning June 1, 2005 and to inform Rubin and Rudman of the Board's vote to terminate our affiliation and to forward all files, working documents and other pertinent materials to McDermott Will and Emery.
The Vote: Trumbull—Yes, Rauker—Yes, Cataldo—Yes, McCumber—Yes, Gruskowski—Yes.

- 3) Acceptance of Ground Maintenance Contract and Disclosure -- The Board reviewed the memo from Danos regarding the ground maintenance bid. Danos stated that he wanted to disclose to the Board that one of the principals of the low bidder, L&C Landscapers, was the son of one of the water department employees. Danos further stated that it was a sealed bid and that the employee does not have any oversight over the contract and that he, nor other employees, were unduly influenced to select L&C as they were the low qualified bidder. Commissioner Trumbull reiterated it was a sealed bid. Commissioner Cataldo questioned whether L&C had obtained bids from the prior contract; Danos said they may have but that it was a public document. Commissioner Gruskowski questioned why we

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doing the work ourselves. Danos stated that the only thing they may dispute is the labor rate. Commissioner Cataldo asked if we received any estimates to repair it from outside contractors; AGM Edwards stated that the insurance company knew from the outset that we were fixing it ourselves. Commissioner McCumber asked if it was being billed as a jobbing, Danos stated it was. Commissioner McCumber stated that maybe we should pull out a few items and do a comparison to show it cost us less. Commissioner Rauker just wanted to make sure that the cost of repairing the transformer was enough to be submitting a claim and Danos said it was.

Financials:

- 1) Cash & Sales Report through April 2005 – Danos stated that we are behind because we just paid a portion of the PILOT out of cash and that we will catch up from that. Commissioner McCumber asked why the jobbings change so much from month to month; Danos said it is a function of what is going on that month. Business Manager Young stated that the pole attachments went out last month. Danos stated that Business Manager Young and Mae Thompson are working to get payments from Verizon for work we have done for them.

Danos stated that the increase of sales is most likely a function of weather with people still using heat. Danos stated that the operating summary shows that we are hoping for a 2-4% rate of return.

Power Supply:

- 1) Littleton Energy Growth Chart for 2005 – Danos stated that the comparison from MMWEC shows that we are lagging behind the rest of the industry which is a reflection of the commercial vacancies in the Town. Danos stated that we will hopefully see a reversal of trends. Danos stated that he heard Cisco might go forward with two more buildings in Boxborough.

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Quarterly Updates (pg. 35-44)

Commissioner McCumber questioned what violations Gil Finch was referring to when he said that there had been 265 days without a violation; Danos stated it was not OSHA, but APPA safety practices.

All of the Commissioners agreed that the updates are very informative and they appreciate managers taking time to put them together. Commissioner McCumber stated there is a lot of good work going on at the department and they recognize it.

Water Department:

New Business:

- 1) Betterment Apportionment and Vote – Crane Rd – Danos stated that it was time to vote on the apportionment of the betterment for the work done on Upper Crane Road. Commissioner Trumbull asked what the actual cost was; Danos stated about \$23,000, but that we cannot charge more than the estimate which was \$20,500. On a motion made by Commissioner Cataldo and seconded by Commissioner Rauker the Board voted to approve, based on Chapter 40, s.42K & I, the upper Crane Road Water Betterment. **The Vote: Trumbull—Yes, Rauker—Yes, Cataldo—Yes, McCumber—Yes, Gruskowski—Yes.**
- 2) Disclosure Statement Madison Excavation – Danos stated that this was another disclosure regarding a contractor that was working for the Clean Lakes Committee that he oversees. Madison Excavation was the only qualified bidder and the contract was awarded to them. Principals of Madison are related to a department employee and a commissioner. Commissioner Cataldo asked if they are paid through the Water Department; Danos stated they are not. Commissioner Trumbull asked how Danos disqualified the other bidders; Danos

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year so that people will know. It was suggested to do it during National Drinking Water Week. Commissioner Trumbull expressed concern with funding it from the Water Department budget; Danos stated that he would plan accordingly when developing the budget. On a motion made by Commissioner Cataldo and seconded by Commissioner Gruskowski, the Board voted to have the Littleton Water Department take over management of the Hazardous Waste Collection Day and make it an annual event beginning as soon as it can be scheduled. **The Vote: Trumbull—Yes, Rauker—Yes, Cataldo—Yes, McCumber—Yes, Gruskowski—Yes.**

Financials:

- 1) Reserve Fund Transfer Vote – Danos showed the Board the study put together by CDM that will provide the foundation for changes to zoning in the future. Danos stated that one of the changes would be changes to parking requirements. Danos stated that the bylaws need revision since they were developed 20-30 years ago. Commissioner Cataldo questioned whether the planning board would listen; Danos stated he was going to work with the Economic Development Committee on it. After a brief discussion, a motion was made by Commissioner Rauker and seconded by Commissioner Cataldo to transfer \$18,000 from the Water Department's Reserve Fund to pay CDM for the majority of the work done on the study. **The Vote: Trumbull—Yes, Rauker—Yes, Cataldo—Yes, McCumber—Yes, Gruskowski—Yes.**
- 2) Cash & Sales Report through April 2005 -- Danos stated that Veryfine is still below average and with all the rain people are not using water right now. Danos stated that there are new developments and connection fees upcoming and in the fall, Veryfine will be increasing their usage. Commissioner Gruskowski commended Danos on his planning. Commissioner McCumber commented that we had been below average in rainfall and after this month we should be average. Danos stated that the groundwater table is as high as it has ever

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stated it would probably be 5 years and that we would have to be patient because the majority of money is coming from the Federal government.

Commissioner Cataldo commended Chairman McCumber on a fine year of chairing the Board.

With no further business before the Board, on a motion made by Commissioner Cataldo and seconded by Commissioner Trumbull, the Board voted unanimously to adjourn the meeting at 8:22 p.m. **The Vote: McCumber – Yes, Gruskowski – Yes, Trumbull – Yes, Cataldo – Yes, Rauker – Yes.**

Respectfully submitted,

Savas C. Danos

Date

Approved: June 22, 2005