

Mansfield Light Commission Meeting Minutes
January 23, 2013

Present: George Dentino, Chairman; Doug Annino, Clerk; Kevin Moran; Jess Aptowitz; Olivier Kozlowski; William Ross, Town Manager; Minutes taken by Tracey Whalen, Executive Secretary

1. Meeting called to order at 7:06 p.m.

Chairman Dentino called the meeting to order and stated that the meeting is being broadcast live on Mansfield Cable Access and this broadcast will be available at various times for viewing.

Mr. Ross introduced Tracey Whalen as the new Executive Secretary to the Board of Selectmen. Mr. Dentino welcomed Ms. Whalen.

2. Citizen Comments

No Citizen Comments

3. Review and Approve Minutes of December 12, 2012 Meeting

Motion to approve minutes of the December 12, 2012 meeting (Aptowitz/Annino)

Chairman Dentino has noticed that there is no person identified as the transcriber of minutes. He feels that the transcriber should be identified and that he believes this is a requirement. Mr. Ross stated that going forward he will make sure this is done. Chairman Dentino asked who took the minutes for the meeting of December 12, 2012, which Mr. Ross believed was Ms. Schnell due to the fact it was in conjunction with the BOS meeting.

Mr. Dentino referred to page 4 of the minutes and referenced an italicized paragraph where the transcriber notes that they are not following the conversation. Chairman Dentino would like it to be noted that minutes are not to be taken in this manner and if there are any questions, the tapes should be reviewed for further clarification. The Board is in agreement that the minutes need to be redone. Mr. Aptowitz suggested Ms. Whalen obtain copies of previous meetings to clean up the minutes.

Mr. Aptowitz retracted his motion and the minutes for December 12, 2012 are tabled to be brought up at later date.

4. Director's Report

A. Review of Power Supply Contract

As was previously reported to the Board, MMED solicited proposals for the procurement of approximately 20% of the town's firm energy supply. This will replace the contract that the Town currently has with Constellation, which expires later this year. From the proposals received the

contract was awarded to NextEra Energy at a weighted average cost of 5.11 cents/kWh. This is a fixed price contract from 2013 to 2017 and covers both on-peak and off-peak requirements. Chairman Dentino had previously asked Mr. Ross what MMED is currently paying Constellation. After investigating Mr. Ross found that we are paying \$0.08/kWh for on-peak and \$0.063/kWh for off-peak energy. The NextEra contract, provides savings for both periods, particularly on-peak.

Mr. Ross emphasized that the NextEra contract represents is only a portion of MMED's total power cost so the overall average on-peak savings is approximately 0.6 to 0.7 cents per kWh. Mr. Ross feels that this is a significant savings for our customers. All agreements have gone through MMED's counsel, Rubin and Rudman, and signed by Mr. Ross. These are firm price agreements and MMED is well protected. The contract will be phased in during 2013.

Chairman Dentino had also previously requested the spot market spread to review. Mr. Ross will follow up and get that immediately.

Chairman Dentino asked how many Board members have read the agreement in its entirety. Mr. Kozlowski inquired about the confidentiality provision. Mr. Ross explained that the company asks for the information to be confidential but there is a section that states that if the town is required by any law to reveal any information, that the Town will do that. This satisfies the company's request for confidentiality and also satisfies the Town's open meeting and public records laws as well.

Mr. Annino asked if they actually generate power or are they a broker. Mr. Ross explained that they generate power and also broker. They are a subsidiary of Florida Power and Light, which is one of the largest utilities on the east coast. They have available sources of generation and can also purchase spot market power if necessary. Mr. Ross explained that these costs are based upon the current and anticipated cost of natural gas, which is most of the generation that NextEra will be supplying to the Town. Mr. Ross indicated that he did ask the question of whether they will have the adequate resources to supply MMED's needs and was assured that they do.

Mr. Annino would like more of an assurance and guarantee that they will supply the power. Mr. Ross explained that they have to file a financial guarantee to protect the Town and they have to maintain a credit rating under the contract.

Chairman Dentino stated that the good thing is to require the parent company, Florida Power and Light, to assume the responsibility and take it out of the subsidiary's control, a strong bargaining point.

Mr. Moran asked to further explain the contract process for those who may have missed the discussion a few weeks ago. Mr. Ross explained that MMED has several sources of power; MMED owns pieces of several generating plants and holds contracts for firm power (requiring that it has to be delivered). One of these firm power contracts is with Constellation. Since that contract was executed the cost of power in that time has come down and the town has taken the opportunity to solicit new proposals for that portion of power, approximately 20%. In all, there were four proposals based on a five year period of time and firm prices were requested. NextEra was the low bidder.

B. Update on Underground Circuit Program

Mr. Ross would like to bring the Board up to date on the discussion on the underground circuit work from a couple of different standpoints. One is the discussion on utilizing the Copeland Road right-of-way running from Maple to Pratt Streets. Further work has been done and it was found that there is a "cart path" (path through the woods) that in large part follows the Copeland Road right of way. It has been surveyed and there is a drainage culvert that comes down from the warehouse area to the Northwest of conservation area and the cart path crosses right on top of the culvert.

There have been discussions with Lou Ross, Town Counsel, about what type of easement is needed from the private property owners in the area. There has also been contact with St. Mary's Church, who would grant the Town an easement along the paper street, which runs to the east of their parking lot. Further discussions are needed and the diocese would have to approve it and then it would be brought to Town Meeting for final approval. Installation in the berm would be best to avoid going through their parking area and would be less expensive.

Mr. Ross added that there is additional work to be done between Pratt and East Streets. He is concerned about going through people's yards. Although the right of way appears to be there, we would like to work with them in some manner to avoid any issues. MMED wants to illustrate that it is a good neighbor.

Mr. Ross also stated that he walked the area with the Conservation Agent to identify the wetlands and MMED will file applications with Conservation Commission for approvals but does not foresee any issues.

Mr. Annino asked if MMED will incur any costs for these easements. Mr. Ross is not anticipating that but if we do MMED will have to come back to Town Meeting to approve any payments because the authorization did not include any appropriations for that. Mr. Kozlowski then added that we will only require an easement if the right of way doesn't grant us authority.

Mr. Ross moved on to the remainder of the Underground Circuit Project. He reported that he spent time speaking with the Town Engineer concerning the crossing of the Rumford River at Spring or West Street, exploring both options to see which is best.

Ultimately, the installation will be built to reach the intersection of School Street and Route 140, where MMED already has underground facilities from Gilbert Street Substation and where we can connect with them.

On Otis Street a lot of work has been done with conduit and cable installation in the ground and MMED is in the process of having two circuits moved underground from the pole line in that area. The Otis Street work should be done at the end of the month. Along Otis Street, only 1 circuit will remain above ground. Mr. Ross also noted that it is important for the residents to know that we are moving in the direction of having the Gilbert St. and Bird Rd. substations interconnected. The long term goal is if we lose one station, the entire town can still be fed from the other.

Chairman Dentino asked specifically if the underground facilities are running from Route 140 to Spring Street and then coming back to substation. Mr. Ross's answered yes. Chairman Dentino asked which side of Spring Street in regards to heading eastbound. Mr. Ross was not sure. He will coordinate with Town Engineer and DPW so that it does not interfere with any other utilities.

Chairman Dentino is concerned that when there are wet weather issues there has been flooding over the bridge in the past and he would like to see the bridge raised. He explains that there is plenty of elevation and knows it would be more costly but feels maybe we should suspend electric across the bridge and go underground on each end of the bridge. He feels that it is very important to control the elevation of water in that area. Mr. Ross feels that the plans for that area should be brought in for the Chairman and the Board to review.

Mr. Kozlowski wondered about running lines in the area of the train tracks from the Northeastern part of Mansfield to West Mansfield. Mr. Ross does not feel this is feasible due to high voltage electric catenary structures.

C. Proposed FY14 Budget Presentation

Mr. Ross gave an overview on the Budget and possibly scheduling for February/March timetable for further discussion. The Budget itself is overall quite similar but slightly higher than current year. He asked to keep in mind that we are in the first year of full depreciation on the Bird Road substation, which added almost \$600,000 to the depreciation cost. We are estimating that the operating revenue will be dropping approximately \$1 million due to rate decreases and increased efficiency in the way we use power. The rate of return has dropped significantly and this is due to the fact that we have added \$600,000 to the depreciation expense, which comes directly out of the rate of return. Mr. Ross suggested keeping these things in mind.

The budget is contained in Tab 11 of booklet that all BOS members have received and Mr. Ross would like to go into greater detail in the February/March timeframe.

Mr. Kozlowski asked that we get the Budget Summary portion Online.

5. Comments from Commissioner

No Comments from Kevin Moran.

Jess Aptowitz commented on the Audit Committee meeting from January 22nd with Mr. Ross and the outside auditor, Bob Brown, at which time they were presented with the June 30th, 2012 Light Department audit. The audit was fine and the auditors had no issues of concern.

Mr. Kozlowski has no comments.

Mr. Annino has no comments.

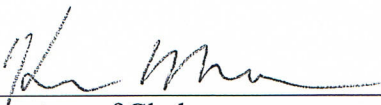
Chairman Dentino has no comments other than commending Mr. Ross on an informative meeting.

6. Any Items Not Anticipated By The Chairman 48 Hours Prior To This Meeting

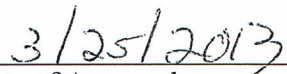
None

7. Adjournment

Motion to Adjourn with a 5 Minute Recess (Aptowitz/Annino) PASSES (5:0)
Meeting Adjourned at 7:45pm.



Signature of Clerk



Date of Approval

/Tracey Whalen