

PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS

MEETING MINUTES

The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, October 22, 2007, in the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: Chairman Albert Palmisciano, Vice-Chair Ann Polacek, Commissioners Brian Choiniere, William Mageau, Thomas Partridge, Adrien Trudeau, and Dennis Whitman

Also in Attendance: Theodore Garille, General Manager; William Bernstein, General Counsel

Chairman Palmisciano opened the meeting at 6:00 pm.

1. Pledge of Allegiance

Handouts were distributed that were not included in packets:

PUC Data Req.

Newsletter

2008 Water and Electric Budget

2. Good and Welfare of the District

A. PUC Data Request- Docket No. 1725

Ms. Allaire gave an update. For the period ending September 30, 2007, PUD disconnected 44 residential standard customer and 0 residential protected status customers. The average customer balance for disconnections was \$140.00. For the period ending September 30, 2007 a total of 659 disconnection notices were sent out. During this period Pascoag entered into 3 written agreements, 75 verbal agreements and currently has 5 written agreements for customers who qualify for financial hardship protection. Two protected status customer agreements were broken during the month of September.

Accounts Receivable balance was slightly higher \$493,000 of that 88% is current, 8% is 30 days, 4% is 60 days or over.

Al Palmisciano acknowledged that Harle Round is in charge of this and does a very good job.

Motion to receive and file was made by Mr. Choiniere, seconded by Mr. Whitman, all in favor, vote is unanimous.

B. Exchange City (tabled from June)

Mr. Garille stated that it was decided by the Division of Public Utility Carriers on the PUC staff that on an ongoing basis it would be impractical for Pascoag to have young people down there wearing

t-shirts and hard hats. It would also be impractical to continue from a financial perspective supporting and being the electric utility for this experiment. It was decided to make a contribution to Exchange City that will cover the cost of the Burrillville HS or Middle School students only. There will be a Pascoag Utility Day declared and we will be invited down. This will all be coordinated by Representative Pacheco. The PUC and Division is fine with that, as opposed to continuing financial support. Representative Pacheco was very appreciative of that. It won't be a one day thing it will be a week or two program.

C. Correspondence / Thank you

- Town of Burrillville sent letter of thanks for support of the 8th Annual Snakes Alive 5K Road Race**
- A thank you from Ashton Court for the Night Light Program.**
- Morgan Meguire letter is a direct result from our most recent trip to Washington where we were attempting to get FERC, the Federal Energy Regulatory Commission, to look at these RTO's, Regional Transmission Organization, in RI its ISO New England, that reliability has been put up with little or no regard to the cost to achieve that reliability. This is in direct violation of the energy act. With the help of a number of Senator's the GAO staff has now been assigned to look at the RTO and perform an audit. We expect the results to be in within a year. We are hoping FERC will be reactive in a positive manner. Morgan Meguire wanted us to see that something has come**

out of our efforts.

Motion to receive and file correspondence was made by Mr. Whitman, seconded by Mr. Mageau, all in favor, vote was unanimous.

D. Newsletter

Mr. Garille stated we had over 100 people for our Open House, it was a great success. Levy School visit was also a success and the coloring books were designed by a former BHS student. True representation of community involvement.

Al Palmisciano applauds the newsletter, it has been a great addition.

Motion to receive and file was made by Mr. Trudeau and Mr. Choiniere, seconded by Mr. Partridge, all in favor, vote is unanimous.

E. Public Power Week

We started a visit to the senior citizen housing. We asked that they trade in their 5 watt night light for our 1/2 watt night light. It was explained how this will save on demand. We had coffee and donuts at each location, Ashton Court, Bradford Court and Stillwater Heights. Al Palmisciano appreciates the work and involvement of the employees of PUD.

F. BELD on peak on Contract for 2008

Mr. Garille stated about 75% of our budget is for purchase power. The most expensive part of that power is for on peak power. A letter was sent from Ted Garille to the Commissioners dated October 2, 2007. Our on peak needs have been met we have signed a contract with Braintree. The 2006 price for this load was \$102 per MWH. The 2007 price was \$95 per MWH. The 2008 price has been negotiated for \$87.75 per MWH. This figure will reflect favorably on our FY 2007 Budget projections and assist us in our efforts to maintain electric rates at their current levels through July of 2008. We have not had a rate increase in this District for the past 18 months.

Motion to receive and file made by Mr. Choiniere and Mr. Partridge, seconded by Mr. Mageau, all in favor, vote is unanimous.

G. Town Council Proclamation

Mr. Garille stated that Councilor Margaret Dudley was present tonight at our request. A few weeks back we attended a Town Council meeting at her request where the Pascoag Utility District was recognized for a number of things. Most was centered around that this is a community owned, operated and involved utility. The Town Council presented at that time a Proclamation. Councilor Dudley stated we are an asset to the town. She has also asked the Superintendent to get in touch with the principals and have lesson plans revolve around public power month.

Motion to receive and file was made by Mr. Mageau, seconded by Mr. Trudeau, all in favor, vote is unanimous.

H. Executive Session's

Bill Bernstein reviewed what constitutes an executive session. He passed around a booklet that states the provisions of when you can close a meeting. Every meeting of every public body must be an open meeting that is the general rule. This concept should always be used as the guide. Exceptions to this rule are:

- 1. Discussions relating to the job performance, character, or physical or mental health of a person. This person who is to be discussed must be notified. This person would have the right to say they don't want it to be a closed session. The board has to abide by that person's wishes.**
- 2. Sessions or work sessions pertaining to collective bargaining or litigation.**
- 3. Discussions regarding security, including, but not limited to, the deployment of security personnel or devices.**
- 4. Investigative proceedings regarding allegations of civil or criminal misconduct.**
- 5. Discussions or considerations related to the acquisition or lease of real property for public purposes, or the disposition of publicly held property where advanced public information would be detrimental to the public interest.**
- 6. Discussions relating to a prospective business or industry locating within RI where advanced public information would be detrimental to the public interest.**

- 7. Matter relating to the investment of public funds where the premature disclosure would be detrimental to the public interest.**
- 8. School committee executive sessions held to conduct student disciplinary hearings held to review other matters relating to the privacy of students and their records. This does not pertain to this board.**
- 9. Any hearing on, or discussions of a grievance filed pursuant to a collective bargaining agreement.**

Motion to receive and file was made by Mr. Partridge, seconded by Mr. Whitman, all in favor, vote was unanimous.

3. Approval of Minutes

- Regular Meeting – September 24, 2007**

Motion to receive and file minutes as submitted by Mr. Whitman seconded by Mr. Trudeau, all in favor, vote was unanimous.

4. Committee Comments

Sub-Committee Report needs to be added.

Motion made by Mr. Whitman seconded by Mr. Trudeau, all in favor, vote unanimous.

Al Palmisciano stated that the Finance Sub- Committee met this

evening and

Reviewed the budget with staff. Our recommendation to the board is to approve the budgets for electric and water. It is up for approval under new business.

5. Unfinished Business

A. Update Well #5

Mr. Garille asked Bill Guertin, Operations Manager, to give an update. Mr. Guertin stated all the electric has been completed up to the site. Everything inside the building has been completed. We're waiting on a go ahead date from the Dept of Health. We're ready to go. Mr. Guertin stated that Mr. Garille asked Mr. Guertin via an e-mail to go up and check on the gravel road. The only other thing we were waiting for is the telecommunication from cellular and that is in the works.

B. Update on STAG Grant

Ms. Allaire stated we received another disbursement from the STAG grant of \$93,979. The total received to date is \$187,344. We have used up all of the money allocated, there is still money available in the STAG fund but will be using it for other water department projects. Our estimate our of pocket costs would be about \$46,000. This money will come from the restricted fund. The total cost for Well #5 is approximately \$700,000.

C. Special Project 2006A

Mr. Garille stated this is a new power plant out of Ludlow, MA. Pascoag has been participating through the stages of engineering. The plan is continuing on a very positive path. We are still committed to it. If all continues to go well and we do bring this on line we will have an ownership in a state of the art, very efficient electric generating station in Massachusetts.

6. New Business

A. Approval of Warrant for Annual Meeting

Motion to approve the warrant as submitted was made by Mr. Partridge and seconded by Mr. Whitman. This has been approved by legal council. All in favor, vote was unanimous.

B. Approval of 2008 Water and Electric Budgets

Mr. Palmisciano stated the board was just handed these this evening and doesn't know if that is sufficient time for the board to have reviewed them. We have reviewed at 2 sub-committee meetings and find everything in order and our recommendation to the board is to approve.

Motion made to approve by Mr. Whitman seconded by Mr. Choiniere, all in favor, vote was unanimous.

7. Financial Reports

A. Water Department / July – August

Ms. Allaire reviewed budgets. Operating cash for August was \$74,000 accounts receivable \$89,000, \$463,000 of working cash available to the district. On the liability side notes payable of \$3,000 and accounts payable of \$110,000. There is sufficient cash to pay liabilities. Restricted fund has dropped down to \$29,000 because we did take \$36,000 out to pay for well. In Sept. we did put in another \$10,000. On income statement we are slightly above projection. Operating expenses are at 83% of budget general administration 93% of budget 93% of total operating budget for the 1st 8 months of the year.

B. Electric Department / August

Ms. Allaire reviewed budgets. Operating cash was\$ 425,000 and accounts receivable was \$453,000 you have \$880,000 of available cash. Offset and liability you're looking at \$625,000 (bulk of that being purchase power) of sufficient cash to pay your obligations. On the balance sheet there are 2 restricted accts one for debt service and capital \$299,000, restricted fund for purchase power is at \$64,000. Just to tie into Special Project 2006A we've been incurring some monthly expenses on that project not to exceed \$89,000. As we've incurred those expenses we've recognized them as an asset because

we're going to have ownership in that plant. At some point this will be amortized as an expense over the cost of the 3 or 4 years if we decide not to go ahead with this. On income statement operating revenue 98% of bud slightly below on offset of purchase power we are at 90%. Still below budget. Operation maintenance is at 73% of budget customer account is 97%, administrative & gent 94% all below budget.

Motion was made to receive and approve budgets by Mr. Choiniere seconded by Mr. Partridge, all in favor, vote is unanimous.

8. Public Comment

Mr. Rylah is not satisfied with the condition of the road leading up to well 5.

They have fixed a portion of the road but not where 110' of asphalt was ripped up. Mr. Rylah stated the General Manager said there was not that much, but Mr. Rylah said he knows there was because he put it down himself and paid for it. Mr. Rylah is requesting that the asphalt be replaced and the driveway be brought up to processed gravel to what it was and would like it brought back before winter. Mr. Rylah stated he knows the General Manager is telling the board something different. Mr. Garille, General Manager asked Mr. Rylah to keep his comments professional. Mr. Rylah stated that when they came up the road with the pipe they ran into the culvert and that is what caused them to have to rip up the road. The plans should show

this. A total of 350' in total of gravel and asphalt is needed. Mr. Rylah has met with Joe Garlick and Mr. Garlick said this road is in poor shape as well. Mr. Garille stated he has had a conversation with Mr. Garlick and it is in contrary to what Mr. Rylah is stating, but there is nothing in writing from Mr. Garlick. Mr. Rylah stated that "I must be liar then" and doesn't know what he's talking about. Mr. Garille stated that no one has said that Mr. Rylah does not know what he's talking about or that he is a liar. Mr. Garille stated that he has discussed this with Mr. Rylah on several occasions. We have consulted on this and checked with contractor and engineer. We have tried to explain to Mr. Rylah that the road is in better condition now than it was. Mr. Choiniere stated a decision cannot be made tonight until this matter is reviewed further. The board has asked Mr. Garille to check into this matter with Mr. Garlick and Dankris. A decision cannot be made until that is done.

9. Adjournment

Motion was made to adjourn by Mr. Partridge and seconded by Mr. Mageau, all in favor, vote is unanimous. Meeting was adjourned at 7:29 PM.