

PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS MINUTES

The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, February 24, 2014 at 6:00 p.m. in the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: Chairman Albert Palmisciano, Commissioners Ann Polacek Richard Jenks, Wallace Lees and Michael Kogut

Members Absent:

Also in Attendance: Michael Kirkwood, General Manager; William Bernstein, General Counsel

Chairman Palmisciano opened the meeting at 6:00 pm.

- 1. Pledge of Allegiance**
- 2. Public Comment**
- 3. Committee Comments**
- 4. Good and Welfare of the District**

A. Docket No. 1725

Ms. LaPorte reviewed the customer shut off information. There were no customers terminated in the month of January. Pascoag Utility District sent out 243 disconnection notices. Motion to receive and file made by Mr. Lees, seconded by Mr. Kogut. The vote in favor was unanimous.

B. Exxon Settlement Account

Ms. Allaire stated that in the money market account there is a balance of 1.64 million dollars, and \$500,000 in the CD account. This balance reflects the tank project being paid in full, \$164,000 credit that went

back to customers and capital projects being paid. Motion to receive and file made by Mr. Lees, seconded by Mr. Jenks. The vote in favor was unanimous.

C. Audit

The auditors are still working on the audit at the office and should be here for the remainder of the week. Mr. Kirkwood stated that the auditors have said that Ms. Allaire and Ms. Round have been great to work with through the process.

D. Winter BBQ Invite

Mayor Taveras invited Pascoag Utility District to attend a luncheon that will benefit the Good Neighbor Energy Fund on Thursday, February 27, 2014. Motion to receive and file made by Mr. Lees, seconded by Mr. Kogut. The vote in favor was unanimous.

E. Healthcare Meeting Reminder

Mr. Kirkwood stated that there will be a meeting tomorrow at 3:30PM to go over the District's healthcare plan.

F. APPA/NEPPA DC Rally

Mr. Kirkwood and Mr. Palmisciano will be attending the rally in March to meet with RI Representatives and Senators.

G. Water Leak by Serio's

Mr. Kirkwood spoke about a water leak that happened near Serio's. There was an abandoned house that needed a shut off valve replaced and staff members were outside for the entire day getting it fixed. Additionally there was another water leak on Wallum Lake Rd, and

while they were digging Mr. Guertin noticed there was yellow tape that indicated a gas line. The gas line was marked incorrectly and off by four feet with dig safe and luckily due to Mr. Guertin, a major incident was averted. The staff finally got both jobs completed at 2AM. Mr. Kirkwood commended the staff both inside and out. Mr. Palmisciano commended Mr. Kirkwood for his good leadership and the staff for their hard work.

H. Power Bills

Mr. Kirkwood wanted to report that the power bills from ISO have been coming in very high right now.

5. Approval of Minutes

- **Benefits Subcommittee- January 27, 2014**
- **Regular BUC Meeting- January 27, 2014**

Mr. Lees made a motion to approve the minutes as submitted, seconded by Mr. Kogut. The vote in favor is unanimous.

6. Unfinished Business

7. New Business

8. Financial Reports

A. Electric Department- December 2013

B. Water Department-December 2013

Ms. Allaire reported on the unaudited figures for 2013. Pascoag's operating revenue was higher than budgeted. Purchase power and transmission came in much higher than was budgeted for, approximately 24% above budget. The higher than budgeted revenues helped offset the increase in purchase power. O&M and A&G were under budget which helped control the overall expenses.

Overall the Electric Department posted a net loss of \$639,000. This is not surprising because Pascoag under collected due to a standard offer rate that was artificially low. The two factors that contributed to that were the \$200,000 flow back to customers and then there was a large over collection that went back to customers.

Mr. Lees made a motion to approve as submitted, seconded by Mr. Kogut. The vote in favor was unanimous.

Ms. Allaire stated that the Water Department was in a similar situation in that the water that was purchased from Harrisville was higher than budgeted. Well 5 had work being completed so the well was shut down for a period of time which meant Pascoag had to rely more heavily on Harrisville's water supply. The Harrisville surcharge was higher than budgeted. The O&M accounts were under budget as well as the A&G accounts. The Water Department posted a net lost of \$135,000 which is indicative of the fact that Pascoag flowed back money to customers in the form of a base rate credit and also these financials do not reflect the new rates that went into effect. Mr. Palmisciano wanted to add that Pascoag's unaccounted for water losses has gone down to 8.9% which is the lowest it has been in years.

Mr. Lees made a motion to approve as submitted, seconded by Mr. Jenks. The vote in favor was unanimous.

9. Adjournment

Motion to adjourn made by Mr. Lees, seconded by Mr. Jenks. The vote in favor was unanimous. The meeting was adjourned at 6:47PM.

Wallace Lees, Secretary
Board of Utility Commissioners

Desarae Dolan, Recording Secretary