

**STERLING MUNICIPAL LIGHT DEPARTMENT  
MEETING MINUTES**

**Tuesday, June 29, 2010**

**BOARD MEMBERS:** Matthew Stelmach, Chairman  
Michael Rivers, Clerk  
Arthur J. Coughlin, Sr., Third Member

**SMLD INTERIM MANAGER:** Gregory DeStasi

**MINUTES:** Christine Arsenault

**OTHER ATTENDEES:** Julia Adam, Braver  
Christopher Courville, Line Superintendent  
George Pape, Sterling, MA  
Larry Pape, Sterling, MA  
Richard Maki, Sterling, MA

Matthew Stelmach (Stelmach) opens the meeting at 5:00 p.m.

**APPROVAL OF THE AGENDA**

**Arthur J. Coughlin, Sr. (Coughlin) makes a motion to approve the Tuesday, June 29, 2010 agenda as written. Seconded by Michael Rivers (Rivers). Unanimously approved by the Board.**

**APPROVAL OF MINUTES**

**Coughlin makes a motion to approve the Tuesday, June 2, 2010 Special Session Sterling Municipal Light Department Board Meeting Minutes as corrected. Rivers states he does not want to second them until he hears the recording of them. Gregory DeStasi (DeStasi) states that you can review and listen by appointment that is the current policy. Rivers makes a motion to accept as amended. Coughlin seconded. Unanimously approved by the Board.**

**Coughlin makes a motion to approve the Tuesday, June 2, 2010 Executive Session Sterling Municipal Light Department Board Meeting Minutes. These minutes will not be released until such time as it is appropriate to do so. Seconded by Rivers. Stelmach recommends that they be placed into Executive Session. Coughlin rescinds his motion. The minutes will be reviewed during Executive Session.**

**AUDITOR'S PRESENTATION**

Rivers asks if he can give Larry Pape and George Pape copies to review while auditor is presenting. Coughlin says no they have to wait until after the audits are released.

Julia Adam (Adam) explains the Compliance audit was completed because it was the first time the SMLD received FEMA and MEMA monies over \$500,000. Rivers asks if another compliance audit will be done in 2010. Adam replies only if the SMLD receives over \$500,000 during 2010. Adam explains what the audit report is about. It's a snapshot of what happened through 2009 as of December 31. Adam points out that there is a new component that is now required. It is the post employment requirements. Further explanation follows. Adam states it is a clean opinion and that they do not audit the Management Discussion and Analysis (MDA), she reads it for reasonability. Adam went through the entire audit explaining the different parts of the report. Adam further explains that the depreciation fund is a restricted account that is governed by outside agencies not internally (DPU). The SMLD is required to keep a working capital account at MMWEC to pay power bills.

Rivers questions the Accrued Accounts Payable difference between 2008 and 2009. Adam explains that the Accounts Payables are down in 2009 because there were a lot of Ice Storm expenses incurred in 2008.

Discussion was held on Other Post-Employment Benefits (OPEB)– the liability provides for the cost of your current employees when they retire. In the past it was a pay as you go with all benefits. Now the department is required to recognize the cost, it is not required that you fund it. The liability will continue to grow if you do not fund it. Most of the light departments that Julia has seen are funding them in their towns. The benefit has to be set up as a trust, someone has to administer the trust; most of light departments are waiting to see what MMWEC is going to do. Rivers asks when the light departments first become aware of the OPEB? Adam responds approximately three years ago.

Further discussion is held on the audit report. Rivers asks if other liabilities have to be listed? Adam responds yes if it is measurable and material. Stelmach asks about sick time buy back for retirees and how to get the liability on the balance sheet moving forward. Adam responds that if it has a significant impact on the department that it would be included in the Reserve for accrued vacation pay. Adam suggests that if it has a significant impact that the audit reports can be adjusted and reissued. She further adds that all audit reports have to be collected before the amended audit can be released. Additional discussion was held on sick time buy back.

Coughlin asks Adam if she would you consider it a good year for the SMLD. Adam replies it was a very good year.

#### **MOTION FOR AMENDING AUDIT REPORTS**

**Rivers makes a motion that the Manager to direct the appropriate person to provide the sick time buy-back information to the auditors ASAP. Seconded by Coughlin. Unanimously approved by the Board.**

#### **FINANCIALS**

**DeStasi discusses each page of the financial section. Residential sales are down about 2.5% over the last three years. Others are up approximately 1.3%. Our peak as of**

yesterday, June 28, was 11,332. Rivers ask if DeStasi has any metrics to tie the kWhs to degree-days. Stelmach says that he had the manager add the % of degree-days changes onto page 4. Rivers asks if the actual financial statements that Sandy gave at the last meeting can also be included with these financial statements. DeStasi will take care of it.

### **CUSTOMER COMMENTS**

George Pape (Pape) asks Adam that 3 or 4 years ago, the monies from Northeast Utility were a liability, why was the \$3,000,000 not recognized as income? Adam responds it was classified as a deferred liability because it was set up so that it could be given back to the town's people in the form of purchased power payments.

Pape asks DeStasi why can I not e-mail the manager? I am locked out. I can e-mail everyone but you (Greg). Rivers suggests to Pape that he work through Customer Service. Pape says that he will go through CS. DeStasi will look into the problem but does not know of anyone else with the problem.

Pape asks for answers regarding his letter from 6/10/10. Stelmach has received a letter from the attorney but it is attorney-client privilege and cannot release the letter. Further discussion is held on the letter.

Pape asks how many accounts does the light department have at the Leominster Credit Union? DeStasi responds that he will have to get back to him.

### **OTHER BUSINESS**

#### **TREE TRIMMING REPORT:**

Christopher Courville (Courville) submits a report to the board members that he has done on the tree crew; also hands a letter from Bill Tuttle (Tuttle), DPW Superintendent. Stelmach says that he ran into Tuttle and he had nothing but great words for the work that is done.

Courville explains his report. Shows a timeline how many roads were trimmed and what is planned in the future and other additional information. Courville adds that there is versatility to having a tree crew as they can act as ground crew. Courville points out that there are 3 lead linemen and 1 first class lineman that he can pair up with the tree crew if he needs additional help on the lines to make a third crew.

Stelmach asks about the Redstone Hill outage. Courville responds that it was a huge tree about four feet in diameter that came down and took with it 5 poles. The tree was punky inside and that the road had been just trimmed but they did not know what was inside.

Courville adds that we bill the DPW \$7.50/hour which helps to offset the expenses. There was additional discussion on the tree crew and trucks.

**DESTASI UPDATE**

We are continuing to Review of Temporary services. The contractual USA Lines is still on going. The union contract has been submitted. The contract was cleaned up to help eliminate any confusion in the language.

**MANAGER’S SEARCH**

**Stelmach states that we need to start moving this forward. There is a general discussion to putting the search forward. Suggestions for putting the word out for the advisory committee are cable station, selectman, and newspapers. The only major requirement is that the person needs to be a town resident. It is recommended that they know they an advisory committee. The board needs to put an outline together for their responsibilities. Stelmach asks Richard Maki (Maki) what the process is to get it on the cable channel? Maki responds he is writing it out. Larry Pape responds that he is interested in helping in the search.**

**NEXT BOARD MEETING**

The next regularly scheduled meeting will be July 27, 2010 at 5:00 P.M.  
The next special meeting is tentatively set for Thursday, July 8, 2010 at 5 P.M. for the transition team report and the Manager.

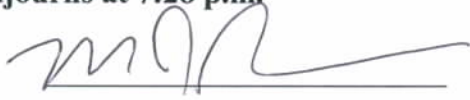
**MOTION TO EXECUTIVE SESSION**

**Rivers makes a motion to go into Executive Session per Chapter 164 Section 47D to discuss proprietary information, confidential information and business strategies and to return to open session only to adjourn. Coughlin seconds the motion. Role call. Coughlin, aye. Rivers, aye. Stelmach, aye. Approved by the Board.**

The board goes into Executive Session as of 6:40 p.m. The board returns as of 7:28 p.m.

**MOTION TO ADJOURN**

**Stelmach asks for a motion for the Light Board to adjourn the meeting. Coughlin makes the motion and Rivers seconds it. Unanimously approved by the Board. The meeting adjourns at 7:28 p.m.**

ATTEST:   
Michael Rivers, Clerk

DATE: 08/11/10