

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
DECEMBER 15, 2010**

PURSUANT TO notice given the Wellesley Municipal Light Board (“Board”) met in the conference room of the Municipal Light Plant’s (“MLP”) garage and warehouse, 4 Municipal Way, at 7:00 PM.

PRESENT

Those present included Chairman William E. Charlton and Commissioners Paul L. Criswell, David A. T. Donohue, Thomas E. Peisch and Edward J. Stewart; MLP Director Richard F. Joyce and staff members Peter Bracken, Francisco A. Frias, Debra J. Healy, William H. Marsh, Suzanne M. Newark, Donald H. Newell, Daniel J. Trant and James W. Verner. Also in attendance were Energy New England representatives Leo F. Swift and Timothy J. Hebert. Joyce M. D. Wood of Onway Lake Consulting joined the meeting at 7:50 PM.

CITIZEN SPEAK

Mr. Charlton presented all those in attendance with the opportunity to speak on matters of interest with respect to the MLP. No one in attendance wished to speak.

DIRECTOR’S ITEMS

L’Energi Energy Center (“LEC”). Mr. Swift discussed the need to evaluate the MLP’s \$1.6 million purchase of the LEC unit entitlement as a financial transaction. Mr. Donohue and Mr. Hebert discussed Energy New England’s (“ENE”) financial and power supply model. Based on ENE’s assumptions, the MLP would experience negative cash flow during the first five years with positive cash flow for years six through twenty. Considerable discussion took place regarding assumptions used for the LEC hours of operation, market heat rate, and Forward Capacity charges and Natural Gas prices. The Board discussed the \$1.6 million investment risk compared to a potential reduction of \$100,000 annually. Mr. Donohue asked the Director to provide a financial model that depicted worst case, base case and best case scenarios. Mr. Joyce said the staff would work with Joyce M. W. Wood and have the requested spreadsheets available for the next Board meeting.

Mr. Swift, Mr. Hebert and Ms. Wood left the meeting at 8:35 PM.

MLP Garage and Warehouse Cost. The Director reviewed the spreadsheet prepared by Ryegate, Inc. allocating costs between the MLP garage and warehouse and the Water & Sewer (“W&S”) garage. Michael D. Humphrys had revised the site work costs from the line item allocation approved by the Board and Town Meeting to a 50/50 cost sharing. Mr. Joyce was of the opinion that this change in site work costs made it impossible to identify the specific work being performed. One of the problems that was created is that the MLP was required to fund 100% of some of the site work around its garage and 50% at W&S. The Board and Director discussed the need for the MLP to go before 2011 Town Meeting and request approximately \$200,000 in additional funds. It was agreed that the Board of Public Works would review the cost allocations at its December 20, 2010 meeting.

Next Meeting. The next Board Meeting was scheduled for Monday, January 10, 2011 at 5:30 PM.

ADJOURNMENT

The Board Meeting was adjourned at 9:40 PM.

Respectfully submitted,

Paul L. Criswell, Secretary