



## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2015-05-20

Time: 6:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Purpose: Regular Business

Session: General Session

### Attendees: **Members - Present:**

Mr. George Hooper, Chair (Wilmington); Mr. David Nelson, Vice Chair (Lynnfield); Mr. David Mancuso, Secretary (Reading); Mr. Dennis Kelley (Wilmington)

### **Members - Not Present:**

Mr. Mark Chrisos (North Reading)

### **Others Present:**

Mr. David Talbot, Board of Commissioners  
Ms. Coleen O'Brien, Mr. Tom Ollila, Ms. Kathleen Rybak  
Mr. Mark Dockser, Reading Resident

**Minutes Respectfully Submitted By:** Mr. David Mancuso, Secretary

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### Topics of Discussion:

#### 1. **Call Meeting to Order – G. Hooper, Chair**

Chair Hooper called the meeting of the Citizens' Advisory Board to order at 6:30 PM and noted that the meeting was being audio recorded.

Ms. O'Brien requested that we move out of order and begin with Agenda item number three (Potential to Form Broadband Study Committee).

#### 2. **Potential to Form Broadband Study Committee – G. Hooper, Chair**

*Handout: Tasks for a Four-town RMLD Broadband Study Committee*

Mr. Mark Dockser, a Reading resident and Town Meeting Member from Precinct One, and current Chair of the Reading Finance Committee, was present to support an idea to look into whether or not there is an opportunity to provide high speed internet through fiber to different areas of the different towns. Mr. Dockser stated that he would be willing to participate in a committee to look into this.

Chair Hooper stated that Mr. Talbot had shown some interest in this subject and the CAB was going to discuss the topic and further investigate. Mr. Talbot arrived and provided a handout and some background information. There are 41 MLPs in the state and 12 do some type of telecom business. Mr. Talbot stated that this is something he has been studying in his day job, and noted that Taunton and Holyoke have had some interesting successes. Savings to the municipality are from providing the complete networking, internet, and voice over internet protocol for the municipality and for the utility itself. Holyoke also provides service to their businesses in the downtown area and the schools. There are savings and benefits to the community just from that much.

The first question that we could ask is what we could save our own town halls and schools, and RMLD, by doing this just for the public agencies and nothing else. The second area would be high priority economic development areas: what do they have now for infrastructure, how happy are the businesses, and how close is our fiber loop to places that we want to redevelop. Mr. Talbot noted that in 1996 the State law (Chapter 164) was changed to allow MLPs to go into this business. There was discussion about whether or not RMLD has ever looked at this issue in depth. RMLD owns a 23-mile fiber loop. There are two tubes (out of 12) dedicated to RMLD, and a private company leases some of the remaining ten tubes. Mr. Talbot stated that this suggest that there is someone making money off it, and the question is if we could do whatever it is they do and make money off of it directly.

Chair Hooper asked if the Board of Commissioners is trying to develop a committee. Mr. Talbot responded that the idea would be to identify people in the community who are telecom experts/engineers who could look at the possibility of expanded use of our fiber loop to serve the towns and some commercial development. Mr. Talbot noted that Mr. Mancuso is knowledgeable in this area. Chair Hooper confirmed with Mr. Talbot that it is all exploratory at this point, and asked if he was looking for one of the CAB members to be involved. Mr. Talbot confirmed that. Mr. Nelson asked if Mr. Talbot was looking to start a committee soon, or if he had some preliminary steps to lay out first. Mr. Talbot noted that he was unsure of the next steps; it could be a formal committee that reports to the RMLD Board, or an ad hoc committee. Mr. Kelley asked if the fiber loop was considered as part of the Organizational Study and if there was a feeling that there was a missed income/revenue stream that RMLD was not getting. Ms. O'Brien responded that the Reliability Study looked at the loop relative to automation and electric reliability issues, as well as overall capacity and said there was sufficient capacity to look at other things, but it would require a realistic study.

The group discussed the current use of the fiber loop and the potential for growth. Mr. Mancuso asked if the goal was revenue generation. Mr. Talbot responded that the goal is more the savings to the municipality. The group discussed the competitive nature and complexities of the high-speed internet/broadband/telephony market. Mr. Dockser added (speaking as a Finance Committee member) that they are looking for any new source of revenue that seems reasonable. We explore things that on the surface are questionable in some cases, but we see what's underneath and see if that is really the case. The money is limited, and the needs are going up; we need to find new sources of revenue. If the only source of revenue is raising taxes, that is pretty limited too. There are some strong economic development zones in Reading, and if we can entice people with high-speed broadband, that might be interesting enough to explore.

Chair Hooper stated that we all understand the want and the need, and noted that Mr. Mancuso has expressed an interest and would be a good candidate to participate on a committee, if the other members agreed. As this project is in its infancy, we should start with one member pending additional information. Chair Hooper noted that he did not believe a motion was necessary to have an individual serve on the committee.

Mr. Talbot noted that the Harvard Law School, Berkman Center for Internet and Society would be hosting a symposium on this topic on July 8 and invited CAB members to attend.

Mr. Dockser and Mr. Talbot left the meeting.

**3. Community Solar Update – T. Ollila, Integrated Resources Engineer**  
*Slide Presentation: Community Shared Solar (CSS) Program Overview May 2015*

Mr. Ollila provided an overview for a potential RMLD Community Shared Solar (CSS) project, currently under development. Mr. Ollila has been working on the model for the past 2-3 months, and has formed an ad hoc committee including representatives

from the Reading Climate Advisory Committee, staff from Reading Town Hall, as well as residents (from both Reading and North Reading). Mr. Ollila reviewed the slides provided in the Agenda packet. A CSS benefits the four major entities involved: a private developer, RMLD, the town, and the end user/participants. A developer would raise the money for the capital outlay, coordinate and act as prime contractor on the job to design the system, do all EPC work to construct, install, own, and operate it. Neither RMLD or the towns would be responsible to raise money (to fund the project). The CSS concept has been around for 4-5 years and has been very active in Colorado and California. It is much newer in Massachusetts, but there have been groups that have implemented community solar programs. However, no municipal utility has implemented such a program. After completing the presentation, Mr. Ollila accepted questions.

Chair Hooper asked about special considerations that may come up such as aging roofs, or general maintenance, and snow accumulation and plowing issues around canopies. The group discussed various construction and maintenance scenarios. Mr. Ollila stated that all of these things would be considered for the specific site. Operation and maintenance issues would be built into the agreement over the life of the contract (with the developer). They are responsible to maintain whatever level of performance you agree on and you can build in esthetic issues as well.

Mr. Mancuso asked about the effective power generation, or what the install value is – would it be one megawatt that we would be generating or is that the capacity. Mr. Ollila responded that the output to us is about one megawatt. The actual DC capacity rating of the array is about 1.2 to 1.3. In rough terms, the typical panel today is around 300 watts (3-4 panels per kilowatt).

Mr. Mancuso asked if the financial end is predicated on selling all of the panels. Mr. Ollila responded that RMLD would establish a PPA with the vendor to purchase any output that is not subscribed to by an end user. The developer is guaranteed that RMLD will take all the power if it is not purchased by customers. The goal is to have it fully subscribed between either the site owner or the end users. Mr. Mancuso asked if fully subscribed, is there any impact on the non-participating ratepayer relative to the cost. Mr. Ollila responded no. Mr. Mancuso stated RMLD is not necessarily reaping any benefit other than having more solar in the mix. The individual user then gets the net metering benefit (whatever that may be) if they choose to purchase it. Mr. Ollila responded that it helps RMLD by reducing transmission and capacity charges - not by a huge amount because our peak hours are later in the day, but there would be some benefit there. Mr. Mancuso asked if we are able to quantify that for the average ratepayer that does not buy into the project. Mr. Ollila responded that we could estimate that.

Mr. Nelson asked when RMLD would think of evolving this into the other member towns. Mr. Ollila responded that the goal is to get a system like this into the ground this calendar year, and then expand to other sites. Chair Hooper noted that Wilmington has already identified a few areas that might be suitable for a project. Mr. Nelson asked about any risks to the municipalities. Have any projects been abandoned. Mr. Ollila responded that typically, the project itself is bonded. They create a special purpose entity, essentially a stand-alone company that is just that one array, and the cash comes in and the cash goes out (self-sustaining). If the company (the vendor) stopped or went out of business – the entity could continue on its own. Mr. Kelley asked about the removal cost at the end of the life of the array. Mr. Ollila stated that it is built into the bonding as well.

There were no additional questions. Chair Hooper thanked Mr. Ollila.

4. **RMLD Policy Committee Update – C. O'Brien, General Manager**

Ms. O'Brien provided an update on the work of the Policy Committee. For Policy 2 – Surplus Material, a subsequent revision was necessary, which includes two changes; the policy had indicated that scrap had no value, but some scrap within the electric industry (i.e., wire) actually has value. We separated "scrap that has value" and "scrap that has no value." The second change relates to electric utility-rated rolling stock. We eliminated the option for the towns to purchase these vehicles directly. The intent of 30B and the Policy is to garner the best possible (reasonable) price.

Ms. O'Brien offered a recent example where RMLD did a significant amount of work getting professional appraisals for utility-rated trucks. For example, appraised values ranged from \$1,700 to about \$10,000 on one truck. The question became; what would RMLD offer these trucks to the towns for? If the intent is to garner the best value, then it would have to be sold to the town for \$10,000. We asked the (Reading) Town auditor if we could go to an absolute auction. As long as the average fair market value is less than \$10,000, we can. For an absolute auction, you do not reserve your right to reject a bid as long as it is under \$10,000. That was all within the wording that was in the policy and it remains the same.

Chair Hooper asked if RMLD would still provide to the communities a list of the vehicles that are going out for auction. Ms. O'Brien confirmed RMLD will still post that it is going to auction. All the other vehicles (non-electric rated utility rolling stock) and surplus will continue to go through the towns with the same wording.

Ms. O'Brien continued with a review of Policy 9 – RMLD Procurement. The limits for what needs to go to sealed bid were adjusted to reflect current limits per Chapter 164 (\$25,000) and Chapter 30B (\$35,000).

Ms. O'Brien reported that the Policy Committee and legal are looking at all policies to determine which policies are considered operational, and which are considered governing. We would like to make that separation so that the Policy Committee can look at the governing policies first, and staff can review the operational policies. CAB members requested the opportunity to review the policies as they are being revised. Ms. O'Brien noted that CAB members are welcome to come to the Policy Committee meetings, and agreed to email the Commissioners to let them know that the CAB would like to see the policy revisions as they are being reviewed. The current process includes review and revision by legal. The policy revisions are then sent to the GM who reviews them and sends them to the Policy Committee for review. We are targeting two policies per month as the Committee schedule allows. Each approved/revised policy will be scheduled for review every three years.

5. **NEPPA Annual Conference 2015 – G. Hooper, Chair**

Chair Hooper noted that the annual NEPPA conference would be held August 23-26 at Bretton Woods, New Hampshire. After discussion, the CAB agreed to send up to three members to the conference.

Mr. Nelson made a motion that the CAB authorize up to three members to attend the 2015 NEPPA Annual Conference, seconded by Mr. Kelley. Hearing no further discussion, ***Motion carried 4:0:1 (4 in favor, 0 opposed, 1 absent).***

6. **Discussion - Setting CAB Agendas – G. Hooper, Chair**

The group discussed the process for setting the CAB Agenda. Chair Hooper stated that at any meeting members may suggest agenda items for an upcoming meeting. Members may also contact the Chair (or Vice Chair in the Chair's absence) to request an agenda item that comes up outside of the meeting. Ideally, members should

contact the Chair as soon as possible, but at least two weeks prior to the scheduled meeting. This will allow adequate time to prepare for the discussion.

7. **Next Meeting – G. Hooper, Chair**

The next meeting of the CAB was set for June 17, 2015, at 6:30 pm.

Ms. O'Brien noted that there will be a presentation on the history of the fiber at the May 28th Commissioners meeting, and cautioned that there are security issues related to the fiber network, which will limit the information presented.

Returning to the discussion of fiber, Mr. Kelley expressed his concern that Reading Light's core competency is electricity, and we may be entering into another field where we may/or may not have expertise. Mr. Mancuso responded that he would take that caution very seriously.

Ms. O'Brien added that we just got out of the Organizational and Reliability Studies, and we have a huge amount of change management to get through. I have no objection to studying it, but I have to understand what the impact is going to be on staffing and how the headend works. The group discussed the challenges of expanding focus away from RMLD's core competency and how fiber expansion might impact the bottom line for RMLD and the towns.

8. **Motion to Adjourn – G. Hooper, Chair**

Mr. Nelson made a **Motion** to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Kelley. Hearing no further discussion, **Motion carried 4:0:1 (4 in favor, 0 opposed, 1 absent).**

The Citizens' Advisory Board Meeting adjourned at 8:01 PM.

As approved on January 13, 2016

## TASKS FOR A FOUR-TOWN RMLD BROADBAND STUDY COMMITTEE

**Brief Background:** Massachusetts has 41 municipal electric utilities (including RMLD) of which 12 (not including RMLD) are in the telecom business in addition to the electricity business. Done right, a muni telecom/Internet business can provide municipal savings, aid economic development, and produce revenue.

Should RMLD do something? The strategy should be incremental. And the way to look for incremental opportunities is to form a 4-town committee (with some telecom expertise on it) that can identify specific market niches and savings opportunities. Going into this, I would point out a few things. 1: RMLD already has a 23-mile fiber optic loop, some of which runs through areas we would like to redevelop. 2: The Town(s) have additional fiber. 3: Fiber has enormous capacity that grows as new electronics emerge. 4: Data needs are booming in all sectors.

### **(Draft) Initial Committee Tasks:**

A: Pull together a comprehensive map of existing fiber optic assets owned by RMLD, the Town, and the other three towns served by RMLD. This will help build “situational awareness” of available infrastructure already paid for.

B: Add up how much the four Towns and Schools spend on various telecom services (phone/voice, Internet, networking, leased lines, public safety radio, etc). RMLD might do better, providing revenue to RMLD while saving taxpayer dollars.

C: Identify (with some granularity) gaps in high-speed service provision by incumbents. Survey local businesses and institutions for their level of satisfaction, and identify a few targets of opportunity where we’d have a revenue model.

D: See what we can potentially do in high-priority redevelopment areas. RMLD’s fiber optic loop literally runs through some of these zones. Can we attract high-bandwidth business with premium data service? (They’d also buy our electricity.) What current or proposed buildings we could service?

This is a partial and draft list, but it gives a sense of what a four-town committee could do.

David Talbot, chair, Reading Municipal Light Board