



## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2018-04-11

Time: 6:30 PM

Building: Lynnfield Town Hall

Location: Selectemen's Meeting Room

Address: 55 Summer Street, Lynnfield, MA

Session: Open Session

Purpose: General Business

Version: Final

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

George Hooper, Chair (Wilmington); Jason Small, Vice Chair (North Reading); Dennis Kelley, Secretary (Wilmington); Neil Cohen (Reading); Vivek Soni (Lynnfield)

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

#### **Others Present:**

David Hennessy, Board of Commissioners  
Coleen O'Brien, Hamid Jaffari, Jane Parenteau, Kathleen Rybak

**Minutes Respectfully Submitted By:** Dennis Kelley, Secretary

### 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.

#### 2. FY19 Capital Budget Review – C. O'Brien, General Manager

Materials: FY19 Budget; Fiscal Year 2019 Capital Budget Presentation Slides

Mr. Jaffari stated that he would be summarizing the Capital Budget as outlined in the presentation slides. Mr. Soni asked about the strategy for long-term capital planning. Mr. Jaffari noted that in 2015 Booth and Associates did a Reliability Study that identified a number of issues system-wide. This study is the basis for capital improvements planning.

**Projects Completed or Scheduled to be Completed in FY18 (slide 2):** Mr. Jaffari provided a progress update for the projects that are scheduled to be completed by June 30th. Mr. Soni noted that some of the FY18 estimates are over the budgeted amount and asked how that overage is handled. Mr. Jaffari stated that some projects from FY17 were not completed (or paid) by the end of FY17 and carried into FY18 (i.e., the Distributed Generation project), and some projects reflect increased costs (labor, unforeseen issues). Additional detail of the projects' variances will be included as part of the presentation.

**Projects Continuing in FY19 (slide 3):** These projects started in previous years and continue in FY19 or beyond (as noted on the slide). Mr. Jaffari provided a brief status update on each of the projects:

- *Woburn Street Pole Line Upgrade* will address capacity issues. Work will be scheduled in spring/summer and will span FY18/19.

- *115kV Transmission Pole Upgrade* to the lines feeding Substation 3, which are aged. One upgrade has been completed, and the other will be completed in the fall (FY19).
- *35kV UG Cable Upgrade* of the aged and worn lines from Station 5 to Station 4 that feed transformers at those sites. We've seen more fault on these lines, so this must be completed.
- *Pad-mount Switchgear Upgrade at Industrial Parks* is a six-year plan to upgrade old switchgears. RMLD will spend approximately \$450k per year. A portion of the overage in FY18 is for switchgears ordered in FY17, but which did not arrive until FY18.
- *Grid Modernization and Optimization* is a 15-year plan to automate RMLD's infrastructure using automated switches and current technology to enhance RMLD's capability for operating the system and manage outages.
- *New Wilmington Substation* is budgeted at \$267k in FY18, and \$151k in FY19, with major spending on this project in FY20-21. Spending will go down FY22-23 as we begin the getaways out of the substation to get to the distribution feeders. Negotiations continue for the purchase of land in FY18; environmental testing, permitting, etc., will begin FY19. This project is necessary to replace Station 5, which is antiquated. Mr. Jaffari noted that Station 5, which underwent recent upgrades, will run until the new substation is operational and will then be used as a switching station to manage the capacity in the area. The getaway upgrades planned for FY19 will accommodate this future use. The total cost of the substation is approximately \$11.2 with \$7.5-8m budgeted for transformers and switchgears, and the remaining for construction and getaways needed to push the load toward Ballardvale Street to Upton Drive to support the load on Upton Drive.
- *Miscellaneous* includes some upgrades at Ash Street, the EVSE, and a reserve amount for the battery storage project at Station 3. Chair Hooper questioned the spending at the Ash Street campus given the uncertainty of the economic development plan for the area. Ms. O'Brien noted that she has put the Master Facilities Site Plan on hold. Building upgrades completed to date include paint, carpet, and the HVAC unit. Chair Hooper ask (relative to the engineering for the lighting project at Ash Street) if RMLD staff would be able to provide this service (through IRD). Ms. Parenteau noted that IRD does energy audits (for customers) working with outside vendors. IRD works with customers to calculate savings. Mr. Kelley noted in his experience, for general office space many firms will do the design for free; \$8k seems high. Ms. O'Brien noted that the project calls for a redesign of the lighting system at the entire Ash Street campus as well as the substations. Ms. O'Brien agreed to follow-up with more detail on this item. Mr. Kelley suggested purchasing, if appropriate, within the guidelines of 25A, which may provide some cost benefit.

**New Projects for FY19 (slide 4):** Mr. Jaffari provided an overview of new projects for FY19.

- *Ballardvale Street Pole Line Upgrade* is a two-year project to tie into the area of the new substation from Ballardvale to Routes 125 and 62.
- *Station 4 Getaway Projects* (4W5, 4W6, and 4W16) will upgrade getaways from 500 to 750; both age and loading conditions warrant doing these projects.
- *MassDOT Project at Main and Hopkins* is a placeholder pending additional detail from the State on this project.
- *Power/Lab and Tool Equipment* is a new item in FY19, which will be a recurring item for capital purchases such as test equipment, meters, and other necessary equipment or tools for the Line department and Technical Services.

**Annually Budgeted/Recurring Projects (slide 5):** Mr. Jaffari provided an update on these on-going projects/purchases for which a budgeted amount is allocated annually. Of note are the following:

- *AMI Mesh Network Expansion* allows for upgrades over the next 10-15 years to accommodate two-way communication between RMLD systems (SCADA, outage management and Cogsdale) and customer meters. A fully-fixed network will enhance customer communication and data collection and analysis (i.e., end of the line voltage,

etc.). This involves installing additional relays and repeaters, upgrades to existing Itron meters (replacing ERT modules), and the installation of new meters as necessary system-wide. This allows RMLD to make the best use of the existing meters and enable two-way communication through the fixed network.

- *Pole Replacement Program* replaces condemned or failed poles identified as part of the on-going annual Pole Inspection Program.
- *Secondary Main Replacement Program* and the *Stepdown Areas Upgrades* go hand in hand. In FY19, two antiquated stepdown areas will be upgraded (prioritized based on age), replacing stepdown transformers, the main line, the secondary lines, as well as all the connections to the houses. Work will be charged against both of these projects.
- *Underground Facilities Upgrades* will replace antiquated underground equipment (transformers, etc.) targeting three areas in FY19.

Mr. Jaffari noted that with the updated GIS we are better able to capture information regarding the age and condition of the equipment as well as reliability issues, which allows us to prioritize projects and areas. We anticipated an average cost for projects, but they might run over with unforeseen issues, which speaks to some of the overages.

**Summary (slide 6):** Mr. Jaffari reviewed the FY18 recap. RMLD is seeking approval of the FY19 Capital Budget in the amount of \$7,570k.

Mr. Soni noted that in FY17 there was money that was not spent and asked how that gets managed; does the money come over. Ms. O'Brien stated that the money remains in the depreciation fund. It is not a line-item budget.

Mr. Hennessy asked if inflation was being built into future cost estimates. Mr. Jaffari noted that we usually consult vendors to see what they are forecasting – whether it's a 1% or 2% escalation – we consider that. Costs are going up.

3. Update on the Payments to the Town of Reading – G. Hooper, Chair

Chair Hooper, who sits on the Subcommittee for the Payment to the Town of Reading, reported that a study will be conducted to see how the payment structure impacts the RMLD and what the future holds. The current payment is based on the CPI, which may not be sustainable. The Town payment will remain status quo pending the results of the study.

Ms. O'Brien reported that the study will be a holistic, financial approach to determine the overall impact of the decrease in sales. There is a convergence of the forecasted decrease in kilowatt hour sales and the increase in expenses, which includes the payment to the Town; we have been looking at this as part of our strategic planning. RMLD is currently solid financially, but we want to look at finances at least 5-10 years out. We have to be balanced so that we can keep rates competitive, be able to meet all of the infrastructure upgrades, and then also be able to support our community. The study will look at all of these components because they are all connected. Chair Hooper noted that the study should be completed in approximately six months.

4. Adjournment – C. Hooper, Chair

Mr. Kelley made a motion to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Small. Hearing no further discussion **motion carried 5:0:0** (5 in favor, 0 opposed, 0 absent).

The Citizens' Advisory Board Meeting adjourned at 7:39 pm.

As approved on June 20, 2018



# **READING MUNICIPAL LIGHT DEPARTMENT**

## **FISCAL YEAR 2019 CAPITAL BUDGET**

**CITIZENS' ADVISORY BOARD PRESENTATION**

**APRIL 11, 2018**



## REVIEW OF PROJECTS COMPLETED OR SCHEDULED TO BE COMPLETED IN FY18

	FY18 ESTIMATE	TOTAL COST ESTIMATE*	PROJECT SCHEDULE
✓ Distributed Gas Generation	\$581k	\$2,613k	FY16-18
✓ GIS	\$380k	\$790k	FY16-18
✓ LED Street Light Implementation-All Towns	\$940k	\$2,193k	FY16-18
✓ 4W9 Getaway Replacement	\$132k	\$268k	FY17-18
✓ Various Upgrades at Station 3 Reactors, Remote Terminal Unit, Relay Upgrades and SCADA Integration	\$373k	\$784k	FY17-18
✓ Miscellaneous Projects Control Center Modifications, Remote SCADA Room, and Power Washer and Vacuum	\$195k	\$195k	FY18

\*Total Project Cost Estimate = Prior Years Actual Spending Plus FY18 Estimated Spending



**BOOTH RECOMMENDATION**

## PROJECTS CONTINUING IN FY19

	FY18 ESTIMATE	FY19 ESTIMATE	PROJECT SCHEDULE
➤ Woburn Street Wilmington – Pole Line Upgrade	\$213k	\$213k	FY18-19
➤ 115kV Transmission Pole Upgrade	\$145k	\$223k	FY18-19
➤ 35kV Underground Cable Upgrade	\$207k	\$252k	FY18-20
➤ Pad-mount Switchgear Upgrade (Industrial Parks)	\$500k	\$436k	6-YEAR PLAN
➤ Grid Modernization & Optimization	\$381k	\$676k	15-YEAR PLAN
➤ New Wilmington Substation	\$267k	\$151k	FY17-23
➤ Miscellaneous	\$155k	\$340k	FY18
LED Lighting at 230 Ash Street, Parking Lot Upgrade at 230 Ash Street, EVSE, Battery Storage			

➔ BOOTH RECOMMENDATION



## NEW PROJECTS FOR FY19

### FY19 ESTIMATE

❖ Ballardvale Street, W – Pole Line Upgrade	\$225k	two-year project
❖ 4W5 Getaway Replacement, W	\$152k	one-year project
❖ 4W6 Getaway Replacement, W	\$157k	one-year project
❖ 4W16 Getaway Replacement, W	\$206k	one-year project
❖ Mass DOT Project: Main & Hopkins, R	\$225k	one-year project
❖ Power/Lab and Tool Equipment	\$76k	recurring

 **BOOTH RECOMMENDATION**

## ANNUALLY BUDGETED/RECURRING PROJECTS

	FY18 ESTIMATE	FY19 ESTIMATE
▪ Miscellaneous Computer Hardware/Software Upgrades	\$186k	\$550k
▪ Rolling Stock Replacement	\$229k	\$275k
▪ Building, Office and Security Upgrades	\$215k	\$60k
▪ AMI Mesh Network Expansion	\$120k	\$121k
▪ Communications Equipment	\$100k	\$49k
▪ Pole Replacement Program	\$209k	\$263k
▪ Secondary and Main Replacement Program	\$222k	\$344K
▪ 13.8kV Upgrades (Step-down Areas, etc.)	\$71k	\$331k
▪ Underground Facilities Upgrades	\$345k	\$332k
▪ Service Connections (Residential and Commercial)	\$150k	\$142k
▪ Routine Construction	\$1,044k	\$1,078k
▪ Miscellaneous Purchases (Meters and Metering Equipment, Transformers, and Substation Equipment)	\$651k	\$693k

 **BOOTH RECOMMENDATION**





## SUMMARY

### FY18 RECAP

**Budgeted**

\$7,686k

**Estimated Spending**

\$8,009k

**Variance**

(\$323k)

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### FY19 PLANNED

**Estimated Spending**

\$7,570k

