

Reading Municipal Light Board of Commissioners

Regular Session

230 Ash Street  
Reading, MA 01867

April 23, 2008

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Start Time of Regular Session: 7:35 p.m.

End Time of Regular Session: 9:31 p.m.

Attendees:

Commissioners:

Richard Hahn, Chair

Robert Soli, Secretary

Ellen Kearns, Commissioner

Mary Ellen O'Neill, Vice Chair

Philip Pacino, Commissioner

Staff:

Vinnie Cameron, General Manager

Jeanne Foti, Executive Assistant

Kevin Sullivan, Engineering and Operations Manager

Beth Ellen Antonio, Human Resources Manager

Jane Parenteau, Energy Services Manager

Citizens' Advisory Board:

John Norton

**Opening Remarks**

Chair Kearns stated that she wanted to thank the Commissioners on the Strategic Planning and Policy Committees for their wonderful work.

**Selectmen's Liaison and Customer Comments**

None.

**Introductions**

Chair Kearns introduced the new Engineering and Operations Manager, Kevin Sullivan, who had previously worked at NSTAR.

Mr. Sullivan stated that he is excited to be at the RMLD and he described his background at NSTAR.

**Reorganization of RMLD Board**

**Election of Officers**

**Chair**

Ms. Kearns made a motion seconded by Mr. Soli to nominate Mr. Hahn for Chair.

**Motion carried 5:0:0.**

**Vice Chair**

Ms. Kearns made a motion seconded by Mr. Hahn to nominate Ms. O'Neill for Vice Chair.

**Motion carried 5:0:0.**

**Secretary**

Ms. Kearns made a motion seconded by Mr. Hahn to nominate Mr. Soli for Secretary.

**Motion carried 5:0:0.**

**RMLD Board of Commissioners Committees and Assignments**

Operating and Capital Budget/Pension/Legal Services

Ellen Kearns

Philip Pacino

Power Contracts, Rate Setting, Green Power

Richard Hahn

Mary Ellen O'Neill

**Audit (Including Town of Reading Audit)**

*Philip Pacino  
Robert Soli*

**General Manager**

*Richard Hahn  
Ellen Kearns  
Robert Soli*

**Policy**

*Mary Ellen O'Neill  
Robert Soli*

**Community Relations**

*Ellen Kearns  
Mary Ellen O'Neill*

**Joint Subcommittee-Payment to the Town of Reading**

*Philip Pacino  
Robert Soli  
Two Citizens' Advisory Board Members  
One Reading Selectmen*

**Accounts Payable**

*Ellen Kearns  
Mary Ellen O'Neill  
Philip Pacino  
Robert Soli (First Backup)  
Richard Hahn (Second Backup)*

**Payroll - Four Month Rotation**

*Philip Pacino, April-July  
Ellen Kearns, August-November  
Mary Ellen O'Neill, December-March*

Ms. Kearns made a motion seconded by Mr. Hahn that the Board vote to approve the Committee assignments.

**Motion carried 5:0:0.**

**Approval of Minutes for March 26, 2008 Board Meeting**

Ms. O'Neill made a motion seconded by Mr. Soli to approve the Regular Session meeting minutes of March 26, 2008 with the change presented by Mr. Hahn on page five, fourth paragraph, it should read "\$3.05 not \$3.50".

**Motion carried 5:0:0.**

**Report from RMLD Board Committees**

**Policy and Strategic Planning Committees**

Ms. Kearns reported that the Policy and Strategic Planning Committees met three times to review the RMLD's Strategic Plan to come up with strategies to implement the Plan.

Ms. Kearns stated that Mr. Cameron prepared the first draft of the Policy For Implementing the RMLD Strategic Plan, which included implementation strategies and metrics, which he discussed with his staff.

Ms. Kearns said that within the policy are metrics found in items c, d, e which Marc Goldsmith who facilitated the RMLD's Strategic Plan had suggested.

Ms. Kearns explained that the policy consists of the following implementation items: 1. Provide customers with a product mix that optimizes electric costs and maximizes value through energy efficiency and load management. 2. Procure a long-term diverse and environmentally responsive power supply portfolio, including consideration of ownership of generation. 3. Assure long-term reliability of the RMLD distribution system. 4. Enhance customer service to Residential and Commercial customers to the highest level.

Ms. Kearns made the following changes to the policy:

Item 1d, - Delete within the second sentence, "with that of other selected municipal utilities and IOUs in the state."

Item 1e, - Take out last "and comparisons of the RMLD's annual load factors to the load factors of other selected utilities, IOUs in the state", replace "and" to "with".

**Report from RMLD Board Committees  
Policy and Strategic Planning Committees**

Mr. Cameron suggested the following change to the policy:

Item 1d, - "a comparison of the RMLD's spending, as a percent of revenue, on energy efficiency and load management with that of other selected municipal utilities and IOUs in the state. Mr. Cameron said that he did not think that the RMLD could get that information. Mr. Cameron pointed out getting load information is not readily available and you would have to go the DPU and really mine the data.

Mr. Soli made the following change to the policy:

Item 3a, - Delete the "a", "degree of" in the sentence.

Ms. Kearns said that the metrics Mr. Cameron suggested in the policy were metrics to strive for. Ms. Kearns referred to 2f, "The RMLD staff will provide to the Board on an annual report on emissions from power purchases and power from RMLD-owned generation, and a comparison of these emissions with RMLD's past performance".

Chair Hahn clarified that there is a good working understanding on how to capture the emission data. Chair Hahn pointed out that the EMS data filed with the federal government is one year behind. Mr. Cameron replied that the RMLD will have to make some assumptions on emissions related to its power supply portfolio.

Discussion followed.

Ms. Kearns stated that CAIDI and SAIFI are the measures for the reliability of RMLD's system, but Item 4 looks at the RMLD's customer service, in that there will be monthly meetings, customer satisfaction surveys, customer service programs, and provide training to customer service.

Mr. Pacino commented that performing a customer survey every three years is too frequent and maybe a five-year timeline would be better. Mr. Cameron stated that the company the RMLD contracted with to perform its customer survey is getting ready to perform another customer survey with the same municipalities the RMLD was involved with on the prior survey.

Ms. O'Neill asked what the next step would be once the policy is approved? Ms. Kearns replied that the staff will do the metrics, some of which are monthly, some are semiannually and annually. A long-term planning committee could be set up to monitor the plan.

Ms. O'Neill clarified that they have two separate documents. Ms. Kearns responded by stating that the Strategic Plan will be distributed to the CAB members, towns the RMLD services, Town Managers, and a library copy at the RMLD.

Ms. Kearns made a motion seconded by Mr. Soli to adopt, with the suggested revisions, the Policy for Implementing the RMLD Strategic Plan, Revision 3, dated April 12, 2008.

**Motion carried 5:0:0.**

**M. G. L. c. 30B Bids**

**Professional Auditing Services 2008-26**

Mr. Cameron explained that the RMLD and four other municipal utilities originally decided to audit Massachusetts Municipal Wholesale Electric Company (MMWEC). The issue is that MMWEC's A&G costs are excessive, the allocation of the membership costs and cost borne by the PSA holders is not correct. The combinations of those two factors led to the decision to perform an audit. Four other municipalities have joined this effort. The bid was sent out to seven companies. Melanson & Heath were the only company to attend the pre bid conference and demonstrated that they have performed similar work. The cost will be socialized among the nine systems. The billings will go through the RMLD, then the RMLD will bill the other municipalities involved in the audit. As a result of the audit it is hoped that the RMLD will garner more than the \$4,444 it paid for the audit.

Discussion followed.

### **M. G. L. c. 30B Bids**

#### **Professional Auditing Services 2008-26**

Mr. Soli made a motion seconded by Ms. O'Neill that bid 2008-26 for Professional Auditing Services be awarded to Melanson Heath & Company, PC for a total of \$40,000.00 on the recommendation of the General Manager.

**Motion carried 5:0:0.**

### **Financial Reports**

In the absence of Mr. Fournier, Mr. Cameron presented the Financial Report for March 2008.

Mr. Cameron reported that there will be a letter from the CAB to the Operating and Capital Committee stating that the CAB reviewed and accepted the first draft of the fiscal year 2009 Capital and Operating Budget.

Mr. Soli had a question on the Fuel Charge revenues and expenses. Ms. Parenteau explained that the reason the revenues do not meet expenses is because part of the fiscal year they were purposely undercollecting to deplete the reserve created during the Calpine escrow payback. The goal was to get the Deferred Fuel Reserve to the \$2 million mark. Ms. Parenteau said that they hope to have the Deferred Fuel Reserve built up again by September 2008.

### **Power Supply Report**

Ms. Parenteau gave a report on the RMLD's power supply for March 2008.

Mr. Hahn clarified that all the capacity costs are in base rates that are found on Table 4. Ms. Parenteau replied that Mr. Hahn is correct.

Ms. Kearns asked who makes the decision to increase the Fuel Charge by the month and amount? Ms. Parenteau replied that she brings the preliminary numbers to Mr. Cameron.

### **Engineering and Operations Update**

Mr. Cameron presented the Engineering and Operations update for March 2008.

Mr. Soli asked if the Lynnfield transformers have been sold? Mr. Cameron replied, "no", because there is a small amount of asbestos that needs to be removed from the substation. An asbestos removal bid went out and there were no bidders.

Ms. O'Neill said that in the recent article she read in the American Public Power Association publication there are Energy Star transformers. Mr. Cameron said that he will have to look into that.

Ms. Kearns said that she would like to see the RMLD consider, the use of soybean based transformer oil. Ms. Kearns referred to an article she read in the *American Public Power Association's (APPA's) Public Power Weekly* where the DEED program discussed the use of soybean based transformers. Mr. Hahn said that for distribution transformers that is a good place to try the soybean oil option, not on the station class transformers.

Ms. O'Neill asked when the capital budget is approved are we in essence approving the capital plan at the same time? Mr. Cameron replied that the capital plan was put together more as a plan to explain in more detail the Six Year Plan. Mr. Cameron said that the 2009 capital budget has been approved by the CAB.

Ms. O'Neill wanted to know how the capital plan items get reviewed. Mr. Cameron explained that it is part of the budget process. The Five Year Capital Plan does not necessarily have to be okayed to get the 2009 Capital budget approved. Ms. O'Neill said that in two years there will significant moneys needed for the Wilmington substation. Ms. O'Neill would like to see how that decision is made on some of the alternatives. Ms. O'Neill would like alternatives on substation design.

Mr. Cameron commented that is important to bookmark moneys that may be required. Mr. Cameron said that a study will be performed to see if the Wildwood Station is adequate or if other alternatives should be explored.

### **General Manager's Report**

Ms. O'Neill would like to see the lobby painted.

Mr. Hahn asked how far in advance on a potential Wilmington substation should such a study be performed, including a needs assessment and alternatives? Mr. Cameron replied that this should be part of next year's Operating Budget.

Mr. Cameron explained that the CAB made a recommendation to the RMLD Board to consider mechanisms such as, but not limited to, grants, rebates and revolving loan funds, to support and finance energy-related improvements. The Board's response was to defer this until the completion of the technical potential study that has been completed. Mr. Cameron said that Ms. O'Neill wanted this brought forward.

### **General Manager's Response to the CAB Recommendation on June 20, 2007**

Discussion followed.

Ms. Kearns made a motion seconded by Mr. Soli to have the recommendations made by the CAB on June 20, 2007 be reviewed by the Power, Rate and Green Power Committee.

**Motion carried 5:0:0.**

### **May 5 to May 6, 2008 Washington, DC Overnight Travel**

Mr. Cameron stated that he went to the American Public Power Association Legislative Rally in February with a group from New England and provided his report to the Board. Mr. Cameron said that his presence has been requested this time to speak to Congressmen and the FERC on House Bill 5547 and Senate Bill 2660 crafted by Senator Sanders from Vermont and Senator Snowe from Maine.

Mr. Cameron explained that the nature of the bill calls for closer oversight of Independent System Operators (ISOs) by the FERC that includes a requirement for the ISOs to include a cost benefit analysis in their decision making process. The issue is that the generators are lobbying Congress and spreading the message that this bill will impede the future of renewable generation. That is not the intent of the bill and that is not how it is crafted.

Discussion followed.

Ms. Kearns made a motion seconded by Mr. Soli to approve the General Manager's overnight travel to Washington, DC May 5 to May 6, 2008.

**Motion carried 5:0:0.**

### **2008 Northeast Public Power Association Annual Conference**

Mr. Soli made a motion seconded by Ms. Kearns to approve the General Manager's overnight travel to the 2008 Northeast Public Power Association Annual Conference August 10 to August 13, at the Mount Washington Resort in Bretton Woods, New Hampshire.

**Motion carried 5:0:0.**

Chair Hahn asked CAB member Mr. Norton to inform the CAB members that if they are interested in attending the 2008 NEPPA Conference they need to contact Jeanne Foti.

Mr. Cameron responded to a question from Mr. Pacino who asked how much was budgeted for line truck preventative maintenance chassis inspection, Mr. Cameron said that \$18,769 was the budgeted amount on the line truck preventative maintenance chassis inspection.

Mr. Cameron, in response to a question from Ms. Kearns on the sixty-day language with Verizon on double poles, said that the RMLD has a 1955 agreement with New England Telephone in which there is no timeframe stated in the contract.

Discussion followed.

Mr. Cameron responded to an inquiry on the number of double poles in the service territory. Mr. Cameron reported that there were sixteen double poles on active projects in the service territory. In North Reading there are eight poles at Concord Street, North Reading, in Wilmington there are seven poles at Woburn and Lowell Street, and one at an underground development at Wakefield Street, Reading. The rest of the double poles have Verizon or Comcast equipment remaining on them.

Mr. Cameron reported that there are 1,747 small commercial customers and 85 large commercial customers in the RMLD's service territory.

Mr. Cameron stated that CAB member Quincy Vale will be making a presentation on May 12, 2008 at the Wilmington Public Library.

On Thursday, May 8, 2:00 to 3:30 p.m. there will be an Energy Efficiency Conference Call through APPA sponsored by the EPA at the RMLD in the General Manager's Conference Room.

Mr. Cameron said that he has given Cost of Service numbers to Virchow & Krause who are conducting the study, and he had received a draft report to review yesterday with the final report being ready shortly.

Mr. Hahn said that on May 13 at 8:00 a.m. there will be a Power, Rate and Green Power Committee meeting, and he would like the agenda in advance.

Mr. Norton said that the CAB does not anticipate any meetings in May but that may be predicated on the Operating and Capital budgets.

Ms. O'Neill expressed a concern that the questions she asks are not shared with the Board members and she would like to see this occur.

Mr. Cameron said that he will ensure that the Board gets copied.

**Board Rotation at Citizens' Advisory Board Meetings:**

May, Commissioner Pacino

June, Chair Hahn

July, Vice Chair O'Neill

**Next Board Meeting**

**Wednesday, June 4, 2008**

**Executive Session**

At 9:20 p.m. Mr. Hahn made a motion seconded by Ms. Kearns that the Board go into Executive Session to consider the discipline or dismissal of, or to hear complaints or charges brought against a public officer, employee, staff member, or individual, and return to Regular Session for the sole purpose of adjournment.

**Motion carried by a polling of the Board 5:0:0.**

Mr. Hahn, Aye; Mr. Soli, Aye; Mr. Pacino, Aye; Ms. Kearns, Aye; and Ms. O'Neill, Aye.

**Motion to Adjourn**

At 9:31 p.m. Mr. Soli made a motion seconded by Mr. Hahn to adjourn the Regular Session.

**Motion carried 5:0:0.**

A true copy of the RMLD Board of Commissioners minutes  
as approved by a majority of the Commission.

Robert Soli, Secretary  
RMLD Board of Commissioners