



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2018-09-20

Time: 07:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

Attendees: **Members - Present:**

David Talbot, Vice Chair
John Stempeck, Commissioner
Tom O'Rourke, Commissioner
Philip B. Pacino, Commissioner

Members - Not Present:

David Hennessy, Chair

Others Present:

RMLD Staff:

Coleen O'Brien, General Manager
Hamid Jaffari, Director of Engineering and Operations
Jane Parenteau, Director of Integrated Resources
Wendy Markiewicz, Director of Business, Finance, and Technology
Tracy Schultz, Executive Assistant

Citizens' Advisory Board:

Dennis Kelley, Chair

Select Board Liaison:

Vanessa Alvarado

Minutes Respectfully Submitted By: John Stempeck, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Vice Chair Talbot called the meeting to order and announced that the meeting is being videotaped at the RMLD office at 230 Ash Street, for distribution to the community television stations in North Reading, Lynnfield, and Wilmington. Vice Chair Talbot read RMLD's Code of Conduct.

Public Comment

Vice Chair Talbot welcomed Ms. Alvarado, who had no comments. Vice Chair Talbot welcomed Mr. Kelley, who reported that at the CAB meeting the previous evening, there was a reorganization and the upcoming budget meeting was discussed. There was no public comment.

Approval of Board Minutes (Attachment 1)

Mr. Pacino made a motion, seconded by Mr. Stempeck, to approve the June 21, 2018 minutes, on the recommendation of the General Manager.

Motion Carried: 4:0:0.

Report of the Chair – Vice Chair Talbot

Meeting of the Sub-Committee on the Payment to the Town of Reading

Vice Chair Talbot deferred to Mr. Pacino, who stated that the Sub-Committee needs to schedule another meeting. Mr. Pacino stated that he himself has been considering freezing the payment for the next two or three years and then base the payment amount to reflect kWh sales.

Ms. Alvarado asked if the report on RMLD's financial long-term outlook has been released.

Ms. O'Brien explained to save money on an outside study, Ms. O'Brien prepared a report on RMLD's projected sales and distributed it to the Board.

Releasing the study to the Select Board was discussed. Ms. O'Brien expressed concern because the Board Members have yet to provide feedback on the study.

Mr. O'Rourke stated that releasing the study before the Board discussed its contents may cause more confusion if the board were to ultimately make a different recommendation.

Vice Chair Talbot suggested putting the study on next month's Agenda.

Ms. O'Brien also wanted to make it clear that the study includes recommendations but is not a proposal to the Town.

Mr. Stempeck suggested stamping the study "Draft."

Vice Chair Talbot commented that RMLD pays the largest Town payment of any Massachusetts municipal and that the money for the payment is coming from ratepayers. Vice Chair Talbot stated he would like to find ways for the Town and RMLD to save money by collaborating. Ms. Alvarado was receptive to that idea.

Mr. Pacino stated that he wants to make it clear that freezing the payment is his idea and not a proposal.

It was agreed that Ms. Schultz would contact the sub-committee members to schedule a meeting as soon as possible.

General Manager's Report – Ms. O'Brien

Review of the General Manager

Mr. Stempeck made a motion, seconded by Mr. Pacino, that the Board approve the General Manager Committee's recommendation that effective July 1, 2018, Ms. O'Brien receive a salary increase of four-and-a-half percent, in addition to a \$6,000 bonus, paid out as Ms. O'Brien chooses as ICMA, cash, or a combination of the two.

Motion Carried: 4:0:0.

Review of Board Policies

Vice Chair Talbot stated his wish to hold off voting on the change to Policy No. 30, stating he wants the policy to perhaps have more information on the topic of sustainable and renewable.

Integrated Resources Division – Ms. Parenteau

Community Engagement

Ms. Parenteau announced that RMLD's Ride and Drive event, held in collaboration with Wakefield and Danvers, was a success. On Sunday, September 16 an estimated 75 to 100 customers attended and there were over 35 test drives. There will be a Tech Talk on Smart Homes at the Reading Public Library on September 27 at 7 p.m. RMLD's Public Power Week Open House will be on October 11 from 3 to 6 p.m. Wilmington is holding an open house for new and existing residents on October 15 at 6 p.m. at the Wilmington Library. Elementary School Art Contest materials are being distributed. The award ceremonies will take place in February. The historical calendar is in the works.

Integrated Resources Division – Ms. Parenteau Community Engagement

Mr. Pacino asked about the EV rebate program. Ms. Parenteau replied that 31 rebates have been issued. 30 was the target. Update next month. Starting to analyze residential load off-peak charging.

Power Supply Report – May 2018 (Attachment 2)

Ms. Parenteau reported on June and July Purchased Power. Three years of energy costs and costs per kWh from 2016 to 2018. Energy costs went from \$32.4 million in FY 16 to \$31.5 million in FY 17. The estimated cost for FY 18 is \$30.1 million. Liquid natural gas prices are at an all-time low and sales are going down. The average cost has gone from over 4.5 cents per kWh to 4.45 cents, which is a pass-through to customers. Transmission costs are going up an average of five percent each year. FY 16 \$12.3 million 5.6 percent increase in FY 17 to \$13 million and in FY 2018 5.1 percent increase to \$13.7 million. Those costs are primarily for regional network service and are socialized throughout New England. Capacity costs for FY 2016 were \$18.7 million and then increased by 6.9 percent in 2017 to just under \$20 million. FY 2018 capacity costs were \$25.4 million, which is a 27 percent increase. This is seen on customer bills as PPCT. RMLD makes no return from that charge. Ms. Parenteau then discussed kWh sales by class, declining trend, going down an average of one percent per year.

Mr. Kelley asked if the CAB could get a breakdown of use by town. Ms. Parenteau answered in the affirmative.

Engineering and Operations Report – June 2018 – Mr. Jaffari (Attachment 4)

Mr. Jaffari stated that the total spending on routine capital construction for the month of June was \$68,523 bringing the year-to-date total to \$1,360,110. Total capital spending in the month of June was \$687,683, bringing the year-to-date total to \$6,513,565, leaving \$1,171,956 remaining in the budget. Mr. Jaffari announced that progress is being made on routine maintenance. The rate of pole failure is decreasing. Infrared scanning showed no hot spots at the substations. Porcelain cutout replacement is 91 percent completed. Three underground subdivision upgrades were completed, and many more are in progress. Lynnfield has 19 pending pole transfers. North Reading has 9 pending pole transfers and 44 pending pole removals. Reading has 27 pending pole transfers and 18 pending pole removals. Wilmington has 28 pending Pole transfers and four pending pole removals. Reliability is improving. The larger-than-usual squirrel population is leading to more animal-caused outages. RMLD has squirrel guards but they don't always deter animals from making contact.

Due to recent gas explosions in the Boston area, Mr. Pacino asked about RMLD's readiness in the event of an emergency. Mr. Jaffari explained that RMLD has an emergency management plan and has contractors to assist if needed.

RMLD Procurement Requests Requiring Board Approval – Mr. Jaffari (Attachment 5)

IFB 2019-01: 115kV Pole Replacement Project

Mr. Jaffari explained that there are two lines feeding Station 4. Some of the poles on both lines were determined to be at the end of their life. Last year one line was taken care of. This is preventive maintenance. The bid invitation was sent to 17 companies; five responded.

Mr. Pacino made a motion, seconded by Mr. Stempeck, that bid **2019-01 for: 115kV Pole Replacement Project** be awarded to: **Mass Bay Electrical Corporation** for **\$120,585.00**, pursuant to M.G.L. c. 30, Section 39M, as the lowest responsible and eligible bidder on the recommendation of the General Manager.

Motion Carried: 4:0:0.

General Discussion

Ms. O'Brien announced that RMLD had a self-audit in preparation for the need to be OSHA-compliant by February 2019. Ms. O'Brien explained that she asked the auditor to be extremely thorough and that the RMLD fared well. In a verbal assessment by the auditor. The auditor has to prepare a final report and then a presentation on the results will be forthcoming.

General Discussion

Meeting dates were discussed, and Ms. O'Brien stated that the CAB agreed to change the Budget presentation from two nights to one night. The Board agreed to same.

Adjournment

At 9:05 p.m., Mr. Pacino made a motion, seconded by Mr. O'Rourke, that the Board adjourn.

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

John Stempeck, Secretary Pro Tem
RMLD Board of Commissioners