



Town of Reading Meeting Minutes

2016-09-22 LAG

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2023-11-15

Time: 7:00 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:**

Philip Pacino, Chair; David Talbot, Vice Chair; Robert Coulter, Commissioner; Marlena Bitá, Commissioner; Pamela Daskalakis, Commissioner.

Members - Not Present:

Others Present:

RMLD Staff: Gregory Phipps, General Manager; Erica Morse, Executive Assistant; Benjamin Bloomenthal, Director of Finance and Accounting; Bill Bullock, Director of Integrated Resources.

RMLD BoC Liasons: Karen Herrick, Reading Select Board

Presenters: Michael Mcneley, Bloom

Minutes Respectfully Submitted By: Philip Pacino, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Chair Pacino called the RMLD Board of Commissioner's (BoC) meeting to order at 7:00 PM and announced that the meeting would be held in person, remotely on Zoom, and will be streamed live on RCTV and YouTube.

Opening Remarks and Introductions

Chair Pacino read the RMLD BoC Code of Conduct and asked all remote attendees to identify themselves.

Public Comment

There was no comment from the public, the CAB, or BoC liaisons during the public comment portion of the meeting.

Report on the Citizens' Advisory Board Meeting

Vice Chair Talbot noted that the CAB meeting covered similar topics to tonight's BoC Meeting.

Approval of Board of Commissioner's Meeting Minutes

Materials: Draft Meeting Minutes (BoC Packet, attachment 1)

The minutes were approved as presented.

Ms. Daskalakis made a **motion**, seconded by Mr. Coulter, that the RMLD Board of Commissioners approve the June 15, 2023, and July 18, 2023, open session meeting minutes, as presented, on the recommendation of the General Manager and the Board Secretary. **Motion Carried: 5:0:0** (5 in favor, 0 against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitz, Aye; Commissioner Daskalakis, Aye.*

2024 Operating Budget Presentation

Materials: Operating Budget Presentation (BoC Packet, attachment 2)

Mr. Bloomenthal discussed the 2024 operating budget tree crew proposal.

Budget Presentation Recap

Mr. Bloomenthal explained that the 2024 operating budget proposed at the October 25, 2023, meeting included plans for an internal tree crew.

Mr. Bloomenthal noted that the BoC requested additional scenarios to compare the operational and financial implications between internal, external, and hybrid tree maintenance approaches.

Current Status of Tree Maintenance (slide 2)

Mr. Bloomenthal discussed the status of tree maintenance.

Vegetation Management Challenges

Mr. Bloomenthal provided a background on the current state of vegetation management, highlighting a significant backlog of over 100 trees requiring maintenance, with Reading presenting the largest challenge due to its approval process for tree trimming.

Mr. Bloomenthal emphasized that the backlog continues to grow, particularly in Reading, due to the town's stringent approval processes.

Mr. Bloomenthal highlighted the amount of tree calls since 10/1/2023, and the current timeframe for maintenance (up to two months).

Three Scenarios (slide 3)

Mr. Bloomenthal provided an overview of three tree maintenance scenarios that were considered in response to the BoC's request for additional options regarding the operating budget's tree maintenance component.

Internal Tree Crew

Mr. Bloomenthal discussed the first scenario, initially presented on October 25th, which involves hiring an internal tree crew to handle all tree maintenance tasks.

Hybrid Tree Crew Structure

Mr. Bloomenthal discussed the second scenario, a hybrid approach, where one tree crew is internal, and another crew would be sourced from an external contractor.

Restructuring External Contracts

Mr. Bloomenthal discussed the third scenario, which explores the possibility of restructuring the contract for external tree maintenance services.

Scenario 1 – Transition to Internal Tree Crew (slide 4)

Mr. Bloomenthal emphasized that RMLD's current contract expires in June 2024 and discussed the internal tree crew proposal (scenario 1).

Proposal

Mr. Bloomenthal explained that Scenario 1 would introduce an internal tree crew including a certified arborist as the manager and four tree crew staff, organized into two 2-person crews. This scenario also includes the procurement of rolling stock and acquiring necessary equipment over several years.

Financial Impact

Mr. Bloomenthal highlighted an anticipated savings of ~ \$1m annually for the 2025 and 2026 budgets, due to salary positions over prevailing wage costs.

This scenario also includes provision of additional capital equipment for staff use, particularly bucket trucks.

Prevailing Wage Context

Mr. Bloomenthal noted that prevailing wage costs increased by 124% from 2018 to 2021, primarily due to regulatory changes.

Scenario 2 – Hybrid (Mixed Outsourced & Internal) Crew (slide 5)

Mr. Bloomenthal discussed the hybrid proposal (scenario 2), which includes a new tree contract for July 2024 with a mix of internal and external crews.

Proposal

Mr. Bloomenthal explained that a new tree contract starting July 2024 would introduce a hybrid model with one internal 2-person tree crew managed by a certified arborist and an external tree crew.

This scenario also includes the procurement of rolling stock (Chipper), which would provide additional equipment for staff savings.

Financial Impact and Operational Benefits

Mr. Bloomenthal highlighted an expected savings of about \$500K annually for 2024 and 2025, by reducing exposure to prevailing wage costs and offering flexibility to bring on extra external crews during emergencies.

Scenario 3 – Outsourced Tree Crew (slide 6)

Mr. Bloomenthal discussed the outsourced tree crew proposal (scenario 3), which includes restructuring the contract from a span basis to a daily rate basis.

Proposal

Mr. Bloomenthal explained that RMLD would continue with a fully outsourced model but restructure the contract from a span basis to a daily rate basis to improve cost efficiency and operational flexibility.

Operational Changes

Mr. Bloomenthal noted that change would prevent charges based on the removal of small branches (span basis), enable crews to work on specific high-voltage jobs and address backlogs in both three-phase and single-phase distribution lines in residential areas.

Total Budget Impact – CY 24 (slide 7)

Mr. Bloomenthal presented the proposed budgets for three scenarios regarding the tree maintenance strategy for RMLD and highlighted the financial outcomes for each scenario, focusing on the overall net income implication.

Projected Financial Impact (slide 8)

Mr. Bloomenthal outlined the costs and savings across scenarios for internal, hybrid, and outsourced tree maintenance crews for the coming years.

Mr. Bloomenthal emphasized that the financial analysis presented is based on cash flow, not on the income statement. The analysis spans CY24, 25, and 26, highlighting where savings would occur.

Projected Savings

Mr. Bloomenthal noted that the analysis spans CY24, 25, and 26, and highlighted where significant savings would occur.

Mr. Bloomenthal emphasized that savings are anticipated in calendar years 25 and 26 under scenarios 1 (internal) and 2 (Hybrid), as outlined on slide 8.

Scenario 3 (Outsourced Tree Crew) – CAB Recommendation

Mr. Bloomenthal discussed the operational strategy and contract restructuring of the outsourced model.

CAB Recommendation - Adoption of Scenario 3 for CY 24

Mr. Bloomenthal confirmed that the CAB recommended that the BoC proceed with an outsourced tree maintenance strategy (scenario 3) for the next calendar year.

The CAB acknowledged the need for a thorough bid process and further analysis.

Budget Approval Context

In response to a query by Commissioner Bitá, Mr. Phipps explained the CAB voted to approve the operating budget assuming scenario #3.

This decision followed a request for further evaluation of the operating budget, specifically the tree crew operations. The existing contract for tree services expires in June 2024, with plans to re-evaluate the bid requirements in Spring 2024.

Operational Model for 2024

Mr. Phipps emphasized that the primary focus is approving the 2024 operating budget with the assumption of outsourcing tree crew operations.

Mr. Phipps outlined steps for revising bid requirements from a span rate to a day rate and assessing bids in the March-April timeframe.

Cost Assumptions

Commissioner Daskalakis inquired about the cost assumptions related to the outsourcing model.

Rationale for Scenario #3

Mr. Phipps elaborated on the rationale for recommending an outsourced model, including long-term cost implications, long-term union considerations, storm coverage, and equipment needs.

2024 Budget Assumption

Mr. Phipps emphasized that the operating budget for 2024 assumes an outsourced model without altering other analysis assumptions. The focus for this discussion remains on what operational model to adopt for 2024, with a noted net income difference of \$240K favoring the outsourced model.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Bitá, that the Board of Commissioners, on the recommendation of the Citizens' Advisory Board and General Manager, approve the Calendar Year 2024 Operating Budget, as presented. **Motion**

Carried: 5:0:0 (5 in favor, 0 against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitra, Aye; Commissioner Daskalakis, Aye.*

Determination of Uniqueness for Property

Materials: Determination for Uniqueness for Property (BoC Packet, attachment 3)

Overview

Mr. Phipps provided an update on the ongoing process to acquire ~ 41 acres near Route 125 in Wilmington, which is similar to previous acquisitions like the 326 Ballardvale property.

Purpose and Process

Mr. Phipps clarified that the approval of the determination of uniqueness is an intermediate step in the acquisition process. It does not constitute approval to purchase but allows the team to proceed with necessary steps such as further due diligence and detailed negotiations under the advisement of counsel.

Next Steps

Mr. Phipps explained that approval of this determination would enable the RMLD to continue moving forward with the acquisition process. Mr. Phipps noted that a final decision on the purchase has not yet been made and that further due diligence is required.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Bitra, that the RMLD Board of Commissioners approve the Determination of Uniqueness of property and waive the publication requirements of M.G.L. Chapter 30B § 16, with respect to the acquisition of land located at the Intersection of Routes 125 and 93, Wilmington, MA 01887. **Motion**

Carried: 5:0:0 (5 in favor, 0 against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitra, Aye; Commissioner Daskalakis, Aye.*

Integrated Resources Department Report

Materials: IRD Report (BoC Packet, attachment 4)

Mr. Bullock presented the IRD report to the BoC.

Outline (slide 2)

Mr. Bullock presented the IRD report, covering power supply outlook, load forecast, power supply costs, handling of certificates, and future rate breakdowns.

Load Forecast (slide 3)

Mr. Bullock presented the expected load forecast from 2024 to 2044.

Mr. Bullock highlighted the noticeable trend towards non-carbon energy sources in the portfolio, especially through the late 2020s.

Energy Sources

Mr. Bullock noted that the current and near-future energy mix includes significant contributions from hydro and nuclear sources.

There is an expectation of increasing amounts of solar and wind energy contributions over time.

Impact of Electrification

Mr. Bullock highlighted that the increased adoption of electric vehicles and heat pumps is expected to drive continuous load growth.

Future Energy Strategy

Mr. Bullock emphasized RMLD's goal to further incorporate solar and wind energy into the portfolio.

Mr. Bullock highlighted the importance of increasing in-territory generation and storage to offset the increased transmissions costs.

Forward Price Curve – Monthly Through 2028 (slide 4)

Mr. Bullock presented the forward price curve, highlighting volatility, especially in winter, due to typical seasonal natural gas prioritization for heating.

Forward Price Curve Volatility

Mr. Bullock highlighted an increase in volatility expected in the coming years.

The spot market price (represented by a red line in the presented chart) is expected to see significant increases, especially in the winter months, for the foreseeable future.

Impact of Natural Gas Scarcity

Mr. Bullock identified a natural gas scarcity during winter events as a key driver of the anticipated price increases and market volatility.

Hedging Strategy

Mr. Bullock emphasized that RMLD has hedged 90% of its power supply (depicted by a blue line in the presented chart). This high level of hedging significantly reduces the department's exposure to periods of high volatility and price increases.

Power Supply (slide 5)

Mr. Bullock discussed the stability and composition of RMLD's power supply costs.

Power Supply Cost Stability

Mr. Bullock explained that the overall cost per megawatt-hour (MWh), depicted on the chart, represents all RMLD's power supply blended together.

Mr. Bullock noted that the chart demonstrates relative stability moving forward and highlighted that RMLD has built a portfolio that provides significant non-carbon energy at a low cost.

Spot Market Price Volatility

Mr. Bullock noted that the spot market price, indicated by a dotted line, significantly increased in 2022.

Annual volatility in the spot market price is expected to continue, but the department utilizes contracts to protect against this volatility.

Hedging Strategy

Mr. Bullock explained that RMLD actively seeks opportunities for additional contract hedges to secure the best pricing possible and mitigate spot market volatility.

Offshore Wind Contract Repricing

Mr. Bullock highlighted a green line on the chart which indicates expected changes in the department's portfolio cost structure due to the repricing of offshore wind contracts.

Mr. Bullock noted that a significant increase in the cost of offshore wind contracts is anticipated. RMLD plans to adjust its portfolio strategy response to these new prices once finalized.

Certificate Management (slide 6)

Mr. Bullock addressed the management of certificates for the first quarter of 2023, focusing on compliance, Policy 30, future discussions on certificate management, and the financial implications of certificate valuation.

Q1 2023 Update

Mr. Bullock provided an update on the latest quarter (Q1 2023) non-carbon energy certificates.

Mr. Bullock highlighted the acquisition of ~92K certificates, retirement of ~50%, sale of 80% of the remaining balance, and reservation of 20% for future compliance needs.

Mr. Bullock noted that RMLD procedure includes selling 80% of non-retired certificates, while maintaining a forward-looking balance.

Future Discussion Plans

Mr. Bullock noted that a detailed discussion on certificate management is scheduled for December, including strategies for handling and valuing certificates.

Uncertainties in Certificate Acquisition

In response to an inquiry raised by Commissioner Bitá, Mr. Bullock explained that Hydro production's unpredictability and load flexibility impact certificate management.

Mr. Bullock added that weather conditions influence load predictions, affecting certificate needs.

Financial Implications

Chair Pacino mentioned that there is a proposal from the financial accounting standards board that may lead to certificates being recognized as short-term assets on the balance sheet.

Chair Pacino emphasized that the decision on this proposal and its implementation are pending.

Quarterly Reporting and Policy Compliance

Mr. Phipps emphasized the importance of prudent certificate management. All certificate transactions must be completed by June 15th of the following year or be forfeited.

Offshore Wind Follow Up

Commissioner Coulter highlighted significant changes and cancellations in offshore wind projects in New York, indicating a potential need to reevaluate the strategy. The cancellations are largely due to suppliers' inability to deliver at previously agreed costs.

Mr. Bullock noted that suppliers in Massachusetts are walking away from their initial bids, leading to a current reevaluation and repricing of these contracts. Mr. Bullock highlighted that this scenario underscores broader issues within the offshore wind industry.

Mr. Phipps shared information on the expected rebid of Massachusetts offshore wind contracts, scheduled for January. Original bids were just below \$80 per MWh, but the rebids are anticipated to be in the low to mid triple digits per MWh, marking a significant price increase.

Mr. Phipps emphasized that these developments have major implications for the power supply portfolio.

2024 Rates – Residential A example (slide 7) and Residential C example (slide 8)

Rate Structure Overview

Mr. Phipps provided an in-depth explanation of the status and future considerations regarding the rate structures previously approved by the BoC.

Mr. Phipps confirmed that the 2024 rates are set to take effect in March 2024.

Mr. Phipps outlined the components included in the tariffs approved for both residential and commercial customers, emphasizing the customer charge distribution, energy charge distribution demand, and electrification as key elements.

Future Review and Updates

Mr. Phipps clarified that the tariffs are scheduled to remain in effect until the end of February 2025, with an interim review with the BoC planned for January to assess and update the power supply status.

Monthly Bill Composition

Mr. Phipps explained that a customer's monthly bill is determined by their usage in kilowatt hours and the applicable rates.

RMLD is considering a shift from the current unbundled monthly bill to a simplified, bundled monthly bill over the next two to three years, contingent on the implementation of a new metering system that would enable time-of-use billing among other features.

Expected Bill Increases

Mr. Phipps explained that the average customer bill is projected to increase by just over \$3 per month from fixed charge adjustments, translating to a little over a 2% rise.

Mr. Phipps highlighted that the more significant fluctuation in bills would stem from the power supply charges (pass through), which vary monthly and constitute approximately 70% of the total bill.

Mr. Phipps emphasized that power supply costs are influenced by the open market's volatility but are moderated by RMLD's reserve funds to prevent drastic changes in customer billing.

Mr. Phipps noted that power supply charges are expected to increase by ~\$8.50 per month, leading to a total estimated monthly increase of slightly over \$11.

Power Supply Charges

Mr. Phipps emphasized that power supply charges are passed through to the customer and not subject to board voting. These charges include fuel capacity, transmission, and NYPA credit components, which are significant factors in the total monthly bill.

Communication Strategy

Mr. Phipps highlighted communications efforts, noting that a press release planned for January will detail the billing changes, leveraging information already available on the RMLD's website.

This approach aims to mitigate rate increase concerns by explaining the rationale behind the forecasted increase in monthly bills.

Commercial Customer Example

Mr. Phipps referenced the commercial customer bill example, and emphasized the components included in the rate sheets, such as customer charge distribution, energy distribution demand, and efficiency electrification.

Mr. Phipps noted that these components are integral to calculating the tariff portion of the customer's monthly bill.

Average Monthly Bill Breakdown

Mr. Phipps referenced the average monthly bill breakdown, which illustrates the cost structure of a customer bill.

Primary Rate Classes

Mr. Phipps reiterated the five primary rate classes, each designed to address different

customer segments.

The rate adjustments for these classes do not uniformly increase or decrease by a specific percentage but are structured to reflect the actual costs and typical usages of the members of those classes.

Mr. Phipps gave an example that not all rate classes increase or decrease by 2%.

Clarification on Rate Increases

Vice Chair Talbot sought clarification on the percentage increases shown on slide 7, questioning whether they reflected the BoC's previous vote.

Mr. Phipps confirmed that the presented increase was the same as what the BoC voted on previously and noted that the only difference is the addition of dollar amounts under the rates for clarity.

Vice Chair Talbot acknowledged the confusion among average people, including himself, about interpreting a total rate increase of ~ 7.6%.

Mr. Phipps confirmed the ~ 7.6% increase and acknowledged Vice Chair Talbot's point.

Commissioner Bitá confirmed the consistency of the 7.6% increase.

Economic Context and Comparison with Other Utilities

Vice Chair Talbot inquired about understanding the rate increase in the context of broader economic indicators like inflation, interest rates, and comparisons with other utilities.

Mr. Phipps acknowledged the relevance of these comparisons and emphasized that the increase is reflective of the general economic environment.

Mr. Phipps attributed the majority of the monthly bill increase to the cost of power, which is passed through to customers.

Mr. Phipps agreed to provide analysis comparing RMLD's rates with those of other local utilities and noted RMLD is generally middle standing among them.

Division Over Rate Increase Decision

Vice Chair Talbot noted the BoC's division over the rate increase and expressed interest in understanding the opposition.

Commissioner Coulter highlighted the importance of differentiating between controllable and uncontrollable portions of the rate increase.

Messaging and Communication

Commissioner Coulter highlighted the importance of differentiating between controllable and uncontrollable portions of the rate increase.

Commissioner Coulter suggested clearer messaging on what's beyond RMLD's control.

Mr. Phipps acknowledged the need for refined messaging, given the changing energy industry landscape and volatility in power supply costs.

Revisiting Rates and Budget Planning

The BoC agreed on the necessity of revisiting the rates in January, and Chair Pacino expressed a change in stance based on a clearer breakdown of the numbers.

The BoC discussed the impact of power supply costs on budget variability, and the importance of strategic planning for future utility infrastructure to manage costs and enhance value to customers.

Community Impact and Assistance Programs

Commissioner Bita inquired about the impact of increases on customers on assistance programs and RMLD's engagement in community support initiatives.

Mr. Phipps agreed to provide a report on these numbers at a future meeting and cited examples of recent community involvement initiatives, such as the Reading High School partnership program.

Context – Within Territory Generation (slide 9)

Mr. Phipps highlighted the importance of in-territory generation for economic, reliability, and compliance reasons, noting significant changes in the past 18-24 months that have motivated MLPs (Municipal Light Plants) like RMLD to own assets.

Carbon Capture Fuel Cell – output (slide 10)

This project is part of a broader strategy aimed at diversifying energy sources through the incorporation of renewable energy technologies such as solar, low temperature geothermal, and hydrogen. Notably, hydrogen is considered more as a storage medium than a generation medium, with plans to integrate a hydrogen engine into Station 3.

Carbon Capture Fuel Cell Project

Mr. Phipps discussed the ongoing examination of a carbon capture fuel cell project, highlighting it as an example of the innovative energy solutions the organization is exploring.

Renewable Energy Initiatives

Mr. Phipps noted that the Carbon Capture Fuel Cell Project is part of a broader strategy aimed at diversifying energy sources through the incorporation of renewable energy technologies such as solar, low temperature geothermal, and hydrogen.

Specifically, hydrogen is considered for storage rather than generation, with a potential application in Station 3.

In-Territory Systems Development

Mr. Phipps highlighted the strategic goal to implement in-territory energy generation systems in 2026, emphasizing the importance of such systems for economic and reliability improvements.

Long-Term Generation Goals

Mr. Phipps discussed the long-term objective for the organization to generate approximately 40% of its energy from in-territory sources by 2040. This is in anticipation of increased energy sales to more than a million megawatt-hours per year, up from the current level of under 700,000 megawatt-hours per year.

Challenges and Team Efforts

Mr. Phipps acknowledged the complexity of transitioning to renewable energy sources, noting that while none of the options are perfect, the combined efforts of contract management and asset development are critical in evaluating and pursuing these opportunities.

Carbon Capture Fuel Cell Process

Mr. Phipps noted that the system currently under consideration uses natural gas and primarily produces megawatt-hours (MW hours) and water as outputs.

Mr. Phipps explained that the water produced is of interest because it can potentially be used in a long-duration battery system that requires a regular flow of water. This could allow for a synergistic integration between the two systems.

Mr. Phipps emphasized that although the system utilizes natural gas and thus is low carbon rather than non-carbon, it incorporates carbon capture technology to minimize its carbon footprint.

Mr. Phipps noted that RMLD is exploring the innovative approach of selling captured carbon, estimating the volume of carbon to be about one truck's worth per day from the site.

Project Status

Mr. Phipps explained that this update is part of the ongoing evaluation and thought process behind the project, with more details expected in the future.

RMLD is not seeking a final vote on the project but is keeping the BoC and CAB informed about its development and considerations.

Carbon Capture Fuel Cell – CO₂ (side 11)

Carbon Emission Analysis

Mr. Phipps reviewed the operating and life cycle emissions data and highlighted significant reductions in net carbon emissions compared to traditional power sources.

Mr. Phipps acknowledged that the proposed system is not zero-emission, it produces dramatically less carbon than current wholesale market energy sources, presenting an environmentally friendlier alternative at a comparable cost.

Efficiency and Carbon Capture

Mr. Phipps discussed the system's natural gas utilization efficiency and carbon capture capabilities, highlighting the potential for substantial carbon output reduction.

Environmental Compliance and Policy

Mr. Phipps discussed the system's alignment with environmental compliance standards and its potential contribution to RMLD's goals of reducing carbon emissions.

Market for CO₂ Utilization

In response to a query by Commissioner Daskalakis, Mr. Phipps outlined the exploration of markets for the utilization of captured CO₂ in ways that do not contribute to atmospheric CO₂ levels, including industrial and building materials.

Procurement and Technological Exploration

Vice Chair Talbot suggested adopting broader procurement practices to allow for a wider exploration of technological solutions, emphasizing the need for RFPs to attract innovative proposals for achieving RMLD's carbon reduction and energy efficiency goals. Mr. Phipps noted that RMLD continues to actively uncover alternatives and not all viable enough to present.

Renewable Energy Strategy and Future Planning

Mr. Phipps reiterated RMLD's commitment to solar PV and geothermal energy as part of its renewable energy strategy, acknowledging the limitations of these sources in meeting future energy demands and the necessity of exploring additional generation solutions.

Openness to Generation Sources

Commissioner Coulter stressed the importance of keeping an open mind towards various generation sources due to market volatility and the necessity of replacing aging infrastructure with sustainable alternatives.

Milton Cat Mobile Battery Presentation

Materials: Milton Cat Battery Proposal (BoC Packet, attachment 5)

Mr. Bullock presented the Milton Cat Battery opportunity to the BoC.

Milton Cat Mobile Battery (side 1)

Proposal Overview

Mr. Bullock discussed Milton CAT's proposal to install a mobile lithium-ion battery and emphasized its potential for peak shaving and flexibility due to its mobility.

Context and RFP Background

Mr. Bullock noted that despite not winning a prior RFP issued by RMLD, Milton CAT approached RMLD with this proposal, distinguishing it from responses to the original RFP, which focused on larger-scale projects.

Project Details Overview

Mr. Bullock highlighted that the proposed battery system is 500 kW with two hours of duration is designed to be shared with RMLD at no cost, to demonstrate its benefits, particularly for peak shaving.

Mr. Bullock highlighted the mobile nature of the battery, which allows for flexibility in location and the potential for supporting areas with insufficient power capacity during peak times.

Project Cost

Mr. Bullock noted that the project has an annual value to RMLD of \$35,000 and highlighted the potential for future solutions in load reduction during emergencies and grid reliability concerns.

Mr. Bullock emphasized that the project presents a low-risk opportunity with a net present value of \$100,000 over three years.

Operational Integration

Commissioner Coulter highlighted the operational learning benefits for field operations staff, including rapid deployment and integration into the existing grid infrastructure.

Mr. Phipps emphasized the project's positive cost aspect, offering a paid learning opportunity.

Cost-Sharing Structure

Mr. Bullock clarified the 50/50 savings sharing structure with no reduction in the share overtime.

The BoC discussed the potential for purchase negotiations following the conclusion of the three-year agreement.

Training and Safety

Commissioner Daskalakis raised concerns about staff training and safety, particularly with lithium-ion batteries.

Mr. Bullock mentioned existing familiarity with similar technology at Substation 3 and assured that the vendor would provide necessary training and handle maintenance.

Strategic Considerations

Mr. Phipps explained the strategic approach to storage assets under energy services agreements, noting that RMLD prefers not to own them initially but would consider ownership in the future.

Commissioner Daskalakis made a **motion**, seconded by Vice Chair Talbot, that the RMLD Board of Commissioners, on the recommendation of the Citizens' Advisory Board, vote to accept the General Manager's recommendation to contract Milton Cat under an Energy Services Agreement for battery storage services. **Motion Carried: 5:0:0** (5 in favor, 0

against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

Policy Review- Policy 13: Facility and Property Use

Materials: Policy Review Materials (BoC Packet, attachment 6)

Policy Review Process

Mr. Phipps highlighted the policy review process, emphasizing the shift of procedural elements to specific procedures to focus the policy on core principles.

Policy 13 Revisions

Mr. Phipps highlighted the key change of limiting public access to RMLD facilities due to security concerns and a lack of available space.

Current and Previous Practice

Mr. Phipps noted that this is a departure from previous practices where the facilities were more accessible.

Mr. Phipps explained that while RMLD buildings have been closed to the public for some time, certain departments such as the Fire and Police still have access to RMLD space for special training programs.

Policy Discussion

The main debate revolved around whether to continue restricting access only to town departments or to consider opening facilities to other groups within the town.

Groups Affected by Policy Changes

Commissioner Daskalakis inquired about the practical implications of policy, especially concerning organizations that might currently use the space.

Mr. Phipps responded that since the onset of COVID-19, the facility hadn't been open for outside use.

Mr. Phipps emphasized that despite technical possibilities for securing certain areas like the cafeteria, RMLD's recommendation is to keep the building use limited, due to additional costs and mostly for security concerns.

Senior Center Use

Commissioner Bitá brought up the needs of the Senior Center for space, mentioning that in the past, small conferences and one-on-one conversations had been accommodated within RMLD facilities.

Instances where such accommodation could be made securely and without the need for extensive maintenance were discussed.

Community Space Needs

Vice Chair Talbot, Commissioner Coulter, and Ms. Herrick expressed concerns about the need for community space, noting that many other potential venues within the town had become unavailable or unsuitable.

It was suggested that, with proper management, RMLD facilities could still be utilized by the community as a means of generating revenue.

Chair Pacino highlighted the importance of considering all four towns within the RMLD service territory if the facility were to be opened up to use.

Mr. Phipps emphasized that town departments, boards, or committees were still welcome to use the facilities under the proposed policy, with a procedure in place for requesting permission.

Commissioner Coulter suggested that RMLD consult further with facilities personnel for potential revisions that could accommodate broader use of the space.

It was clarified that the current policy amendment opens up RMLD facilities to town departments subject to an internal approval process.

The BoC agreed to review a proposed revision in April, with consideration further expansion of access.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Coulter, that the RMLD Board of Commissioners approve Policy 13: Facility and Property Use (Revision 7), as presented, on the recommendation of the General Manager. **Motion Carried: 5:0:0** (5 in favor, 0 against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bita, Aye; Commissioner Daskalakis, Aye.*

Procurement Requests for Board Approval

Materials: Procurement Requests for Board Approval (BoC Packet, attachment 6)

IFB 2023-40 Line Truck Chassis and Trailer Inspection, Preventative Maintenance, and Repair Service

Contract Overview

Mr. Phipps presented IFB 2023-40 regarding the renewal of the maintenance contract for the heavy-duty line trucks utilized daily, to the BoC.

Mr. Phipps mentioned that the trucks are essential for operations and require ongoing inspection and maintenance.

Current Contract and Bid

Mr. Phipps highlighted that the current maintenance service provider, Taylor and Lloyd, has their contract up for renewal.

Mr. Phipps provided a brief history of the bidding process for this contract, noting that in 2020, Taylor and Lloyd's bid was ~ \$170,000. For the current bid, Taylor and Lloyd proposed nearly \$194,000.

Mr. Phipps highlighted that Taylor and Lloyd were the only bidders for this contract renewal, which was unusual as most other bids tend to attract multiple bidders.

Future Bid Package Revisions

Due to the lack of competition in the bidding process, Mr. Phipps suggested that for future renewals, the department might consider revising the bid package to potentially attract more bidders.

Mr. Phipps emphasized the importance of having multiple bidders to ensure competitive pricing and options.

Recommendation

Mr. Phipps recommended proceeding with the contract renewal with Taylor and Lloyd Despite the increase in the bid amount and the lack of other bidders.

Mr. Phipps justified the recommendation by stressing the necessity of the maintenance program for the department's operational efficiency and the relatively moderate increase in

cost.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Bitá, that bid IFB 2023-40 for Line Truck Chassis and Trailer Inspection, Preventative Maintenance, and Repair Service be awarded to: Taylor and Lloyd, Inc. for \$193,509, pursuant to M.G.L. c. 30B, as the lowest responsive and responsible bidder on the recommendation of the General Manager. This is a three-year contract. **Motion Carried: 5:0:0** (5 in favor, 0 against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

IFB 2023-41 Line Truck Lift Equipment Inspection, Preventative Maintenance, and Repair Service

Contract Details

Mr. Phipps introduced the agenda item concerning the renewal of the maintenance contract for the lift truck, which is a smaller component of the department's vehicle fleet. Mr. Phipps noted this contract also received a single bid from the existing vendor.

Price Adjustment

Mr. Phipps highlighted that the bid price for this contract has decreased from \$112,000 to \$89,000 for a three-year contract period. The reduction in cost was attributed to the removal of an unnecessary maintenance item from the contract requirements.

Budgeted Amounts

Chair Pacino raised a general comment regarding the absence of budgeted amounts in the contract explanations provided to the BoC, noting that it was standard practice in the past to include this information.

Mr. Phipps agreed to investigate why they were omitted in the current documents and ensure their inclusion in future reports.

Commissioner Daskalakis made a **motion**, seconded by Vice Chair Talbot, that bid IFB 2023-41 for Line Truck Lift Equipment Inspection, Preventative Maintenance, and Repair Service be awarded to: James A. Kiley Co. for \$89,726, pursuant to M.G.L. c. 30B, as the lowest responsive and responsible bidder on the recommendation of the General Manager. This is a three-year contract. **Motion Carried: 5:0:0** (5 in favor, 0 against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

IFB 2023-42 HVAC and Ice Machines Preventative Maintenance and Repair Service

Contract Overview

Mr. Phipps presented the agenda item regarding the maintenance contract for the department's HVAC equipment, which includes a total of 51 units, and two ice machines.

Bid Process

The contract attracted four bids, showing a competitive process with a considerable range in the bid amounts. Two bids were in the \$130,000 range, and two were in the \$180,000 range, indicating a broad spectrum of pricing for the services required.

Selection Criteria

Following the department's procedure to select the lowest responsible and eligible bidder, Ambient Temperature Control emerged as the chosen contractor. Their bid of \$131,000 was the lowest, undercutting the nearest competitor by \$6,000.

Mr. Phipps noted that Ambient Temperature Control took no exceptions to the bid requirements, indicating their full compliance with the contract's terms.

Contract Details

The awarded contract, set for a three-year term, covers preventive maintenance of the HVAC systems, inclusive of all necessary materials, permits, and disposal fees, making it a comprehensive maintenance agreement.

Commissioner Daskalakis made a motion, seconded by Commissioner Bitá, that bid 2023-42 for HVAC and Ice Machines Preventative Maintenance and Repair Service be awarded to: Ambient Temperature Corporation for \$131,431, pursuant to M.G.L., c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager. This is a three-year contract. **Motion Carried: 5:0:0** (5 in favor, 0 against) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

IFB 2023-47 Hourly Rates for As Needed Distribution Line Work of All Types

Contract Overview

Mr. Phipps presented details regarding the contract for outsourced line work. The contract was openly tendered to 16 companies, aiming to secure external services for both energized and de-energized line work on the department's electrical network.

Bid Responses

Out of the 16 companies solicited, 5 submitted bids, with only 3 of these being deemed qualified based on the bid requirements. The qualifications included the ability to work on both energized and de-energized equipment, specifically at the 15 and 35 KV levels.

Bid Analysis

The three qualified bids were competitively priced at \$417,000, \$495,000, and \$561,000. Power Line Contractors, the current service provider, submitted the lowest bid at \$417,000, making them the preferred bidder.

Mr. Phipps noted that their experience and past performance with the department contributed to their qualification, in addition to their competitive pricing.

Contractor Selection

Given their status as the incumbent service provider, their competitive bid, and proven capability to fulfill the contract's technical requirements, Power Line Contractors were recommended for the contract award.

Commissioner Daskalakis made a motion, seconded by Commissioner Bitá, that bid 2023-47 for Hourly Rates for As Needed Distribution Line Work of All Types be awarded to: Power Line Contractors, Inc, pursuant to M.G.L. c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager. This is a three-year contract.

General Manager's Report

Materials: GM Report Presentation (BoC Packet, attachment 7)

People Operations (slide 2)

Team Morale and Engagement

Mr. Phipps highlighted that the overall team sentiment is positive and energized, with increased communication about organizational goals and strategies.

Internal Moves and Promotions

Mr. Phipps noted that significant efforts are being made to develop personnel internally, including training and promoting internal mobility and promotions.

Internship Program

Mr. Phipps reported that the intern and co-op programs have seen growth, from three interns to seven, and are expected to continue with five participants in the upcoming summer and fall.

Mr. Phipps emphasized that these programs have been beneficial for both the interns and the organization, with partnerships now including Northeastern and Wentworth.

Open Positions and Recruitment

Mr. Phipps reported that there are six open positions, including director-level roles, with interviews scheduled.

Mr. Phipps noted that there's a diversified age group within the organization, moving away from a predominantly senior workforce nearing retirement.

Commissioner Daskalakis asked about the possibility of hiring summer interns' post-graduation.

Mr. Bullock confirmed this and noted that it is an opportunity to evaluate potential employees.

More Highlights (slide 3)

Infrastructure and Customer Updates

Mr. Phipps reported that two large industrial customers are moving to the Ballardvale and Upton Rd. industrial area, requiring attention to substation developments to accommodate the new demand.

Mr. Phipps emphasized that Substations 4 and 5 have undergone significant maintenance, improving reliability and flexibility for future infrastructure planning.

Maple Meadows

Mr. Phipps reported that the Maple Meadows Project is progressing, with ongoing discussions with Massachusetts Department of Environmental Protection (MassDEP) for property acquisition.

Upcoming Presentations

Mr. Phipps discussed RMLD's upcoming presentations to the Lynnfield and Reading Select Boards to address strategy highlights, 2024 rate expectations, and discussions on potential solar and battery projects.

Ash Street Campus Discussion (Slide 4)

Mr. Phipps reiterated that the Ash Street campus needs a significant refurbishment.

Mr. Phipps noted that discussions with the Town of Reading and exploration of various locations for potential relocation have not yielded a viable alternative.

The Ash Street campus refurbishment and potential expansion discussions are underway, with efforts to integrate community planning initiatives and explore all options for the RMLD's operational base.

Chair Pacino commented on the original lifespan planned for the current building and the need for its refurbishment.

Property Acquisition Discussions

Mr. Phipps mentioned discussions with neighboring property owners about potential purchases to facilitate campus expansion or reconfiguration.

Community Planning Grant

Mr. Phipps referenced an ongoing dialogue with the town, which has received a community planning grant to explore conceptual ideas for the campus.

The intention is to develop concepts in the first half of this year to move the project forward.

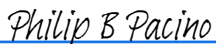
Scheduling

The next RMLD Board of Commissioners meeting will be held on Wednesday December 13, 2023, at 7:15 PM.

Adjournment

At 8:55 PM Vice Chair Talbot made a **motion**, seconded by Commissioner Daskalakis, that the Board of Commissioners adjourn regular session.

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


Philip B Pacino (Apr 3, 2024 13:09 EDT)

Philip B. Pacino, Secretary Pro Tem
RMLD Board of Commissioners

As approved on March 27, 2024