



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-03-19

Time: 07:00 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:**

David Talbot, Chair; John Stempeck (remote participant), Vice Chair; Bob Coulter, Commissioner; David Hennessy, Commissioner (remote participant); Philip B. Pacino, Commissioner

Members - Not Present:

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Charles Underhill, Director of Integrated Resources; Tracy Schultz, Executive Assistant

Mark Dockser (remote participant)
James Satterthwaite (remote participant)
David Zeek (remote participant)

Minutes Respectfully Submitted By: Philip B. Pacino, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Chair Talbot called the meeting to order and read RMLD's Code of Conduct. Chair Talbot 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. Chair Talbot asked Mr. Pacino to serve as Board Secretary. Chair Talbot explained that two Board members, Mr. Hennessy and Mr. Stempeck, are participating remotely due to the pandemic.

Public Comment

Mr. Dockser thanked the Board for reviewing the Select Board's Town Payment proposal.

Welcome Robert Coulter, Commissioner

Chair Talbot welcomed newly elected Commissioner Bob Coulter to the Board. Mr. Coulter stated that he grew up in Reading and his mother worked at RMLD for 25 years. Mr. Coulter stated that he works for National Grid as a design supervisor and oversees underground and overhead construction, residential and commercial construction, solar, and third-party attachments on the North Shore.

RMLD's Response to COVID-19

Ms. O'Brien stated that RMLD is committed to supplying safe and reliable power. An Emergency Response team was established as well as an infectious disease plan EOP – 20-03 HR. Social distancing is in effect and the RMLD building is closed to the public per the Board of Health. HVAC

RMLD's Response to COVID-19

filters and cleaning products were upgraded. Training and travel have been suspended and meetings are being held virtually. Ms. O'Brien stated that she is a member of the Town of Reading emergency team. Critical businesses have been identified and prioritized. Minimum staffing and remote working procedures have been established comprising the entire organization of two teams aimed at mitigating exposure of essential personnel and functions. Despite the physical configuration of employees and the closed building, the RMLD is looking at maintaining business continuity for its customers. RMLD will reassess this arrangement on March 27. The Town of Reading has let one of the line crews use a Town building as a base of operations.

Mr. Pacino asked what RMLD will do regarding people who can't pay their electric bills. Chair Talbot asked if there has been a drop in load. Ms. O'Brien replied in the negative but it's too early to tell. Mr. Underhill stated that it has been warmer than usual so the heating load will be down; it remains to be seen if the pandemic will also affect power usage. The biggest concern is a potential load drop from area manufacturers: retail is not the largest load because it mostly consists of lighting. Mr. Hennessy asked if the increase in customers working from home will lead to a load increase. Mr. Underhill stated that residential comprises 40 percent of RMLD's retail load and 60 percent is commercial, with 35 percent of that being used by the top 20 accounts. Mr. Underhill stated that a slight decrease is more likely, particularly the longer or more aggressive measures become to curtail the COVID virus. Grocery store loads are up because they are moving so much frozen product. RMLD will continue to evaluate the state/governor/DPU regulations as they become available and continue, as always to work with customers. The RMLD will also continue to work with power suppliers and seek any emergency action needed with respect to power bills. Ms. O'Brien added Massachusetts has extended the moratorium for residential customers.

Payment to the Town of Reading

Chair Talbot stated that the CAB and Select Board have provided feedback and Ms. O'Brien has written a memorandum that is included in the Board materials. Ms. O'Brien provided a recap regarding the Payment to the Town of Reading. Ms. O'Brien stated that while RMLD is grateful for the proposals sent in by the Town, the formulas were related to revenue and not kWhs. Ms. O'Brien explained that the memorandum states that RMLD has reviewed the Town's proposals but RMLD does not recommend a formula based on revenue. Power supply is approximately 75 percent of the budget and is purely a pass-through. The Town's proposal would lead to a rate increase for RMLD customers. A unit of kWh sales is the best business model indicative of the health of an electric utility. RMLD has reexamined its previous recommendation of 3.75 mils per kWh sales, adjusted annually by audited financials, and that formula is commensurate with RMLD's fiduciary duty to its customers. Based on current RMLD projections, RMLD could move the recommendation to 4 mils per kWh for five years and reevaluate in four years. That small margin, absent the pandemic, could provide the RMLD with some room to get a number closest to what is being paid now (the amount is slightly higher). Ms. O'Brien stated that RMLD has exhausted its analysis on this matter. The original 2018 study was comprehensive, and the assumptions remain. Chair Talbot added that the CAB weighed in on the payment at its last meeting. Ms. O'Brien explained that the CAB has not seen this proposal or recommendation yet, but the CAB has expressed its preference that the payment be tied to kWh sales rather than revenue. The CAB acknowledged the Town's desire for payment predictability and stated that a review of the formula should occur every few years. Chair Talbot stated that the CAB will now have to look at the amended proposal. Mr. Pacino clarified that the payment would be the same amount for five years. Mr. Pacino stated that if there is a catastrophic event, all bets are off. Mr. Pacino expressed his concern that the payment may not be sustainable due to the pandemic. Chair Talbot stated that since the formula will be based on the audited financials from 2019, the effect of the pandemic will not be reflected in the numbers. Vice Chair Stempeck stated that there is no floor on the payment because if something catastrophic happens the payment would go lower. Chair Talbot stated that the formula is the same for five years; if there is a catastrophe, the formula would need to be revisited during the five years. Mr. Hennessy asked why then five years. Ms. O'Brien replied that was to address the Town's request for stability and RMLD feels that the proposed formula is sustainable for five years. Ms. O'Brien stated that she will put the formula table on the RMLD website. Chair

Payment to the Town of Reading

Talbot suggested using a three-year moving average for the formula. The Board agreed that was a good idea. Mr. Coulter stated that five years is a long time to lock in the formula. Mr. Pacino said that there needs to be economic development on the Town's end. Chair Talbot asked for a table with the moving average formula. Mr. Dockser stated he appreciates discussion and RMLD's understanding of the Town's wish for stability.

General Manager's Report

General Manager's Vacation Time

Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board of Commissioners allow the General Manager to carry forward any unused vacation time from 2019 into 2020 due to extenuating circumstances, to be used in the second quarter of 2020.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

Update on February Ransomware Security Intrusion

Ms. O'Brien stated there are aspects of IT that create vulnerabilities when discussed publicly. Customer information was not compromised. Ms. O'Brien stated that the towns asked for help on how to be better prepared, as she met with each of the town managers, and indicated that the RMLD uses best practices. RMLD takes backups very seriously and making sure that software is updated.

Integrated Resources Division

Chair Talbot asked for an update on the solar panel rebate fund. Mr. Underhill stated that the DOER grant expires in July and agreed to issue a press release stating it is use it or lose it.

a. Power Supply Report – January 2020

Mr. Underhill stated that power supply is currently volatile. The peak period at the end of February price was about \$15 a megawatt hour. RMLD had budgeted for \$75 a megawatt hour on peak. Mr. Underhill stated that the average winter temperature has been significantly higher. Power supply positions through the rest of 2020 are at 95 percent of anticipated portfolio requirements. Resources have been mapped out against load. Mr. Pacino asked if there was any concern about the supply chain due to the pandemic. Mr. Underhill replied that RMLD has a variety in its mix and deals with a number of different vendors and different fuel types. RMLD's largest vendor is NextEra, who is the world's largest supplier of renewable and non-carbon energy. They are very financially stable. Most of the energy they provide is from New England so there is no transmission or importation. They have firm gas supplies. RMLD also has nuclear. In the event NextEra's supply was interrupted, RMLD has a fixed delivery contract. RMLD is comfortable that its resource portfolio is stable and secure. Mr. Underhill then discussed the monthly generation forecasts and monthly energy costs. RMLD budgeted \$2.5 million for power supply in January and came in close to that. Transmission costs were lower than expected. Total purchase power is ahead of where RMLD expected to be.

b. Update on Homeowner Program

Mr. Underhill stated that every year RMLD goes into the four towns and conducts a presentation for new homeowners. It explains the rates, efficiency programs, and the benefits of being an RMLD customer. RMLD held presentations for Lynnfield and Wilmington; Reading and North Reading have been put on hold due to social distancing.

Engineering and Operations Report

Ms. O'Brien gave Mr. Jaffari's presentation and stated that RMLD is launching Phase I of the new outage management interactive voice response (IVR) system. A campaign will start April 1 asking if customers want to be notified when there is an unplanned outage. The system is expected to go live July 1. Phase II will be for planned outages, meter replacements, and peak shredding alerts. Ms. O'Brien reviewed RMLD maintenance programs including tree trimming. The transformer replacement program was reviewed. Reliability updates were discussed. The back-up generator which had unexpectedly failed outside of Station One, has been replaced.

RMLD Procurement Requests Requiring Board Approval

IFP 2020-04 Solid Dielectric Padmounted Switchgear

Ms. O'Brien explained that this is the first time RMLD is going out for a three-year contract on this. The total is 14: five in the first and second year and four in third year. The lead time right now is 16 weeks. Two of the bidders were nonresponsive.

Mr. Pacino made a motion, seconded by Mr. Coulter, that IFP 2020-04 for Solid Dielectric Padmounted Switchgear be awarded to Innovative Switchgear Solutions, Inc. for \$988,650 (3-year contract) pursuant to Chapter 164 Section 56D on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

IFP 2020-05 Pole Mounted Transformers

Ms. O'Brien went through the list of bidders.

Mr. Pacino made a motion, seconded by Mr. Coulter, that IFP 2020-05 for Pole Mounted Transformers be awarded to: Graybar Electric Company, Inc., for \$220,589 and WESCO Distribution, Inc., for \$6,787, for a total of \$227,376, pursuant to M.G.L. Chapter 164 Section 56D, on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

IFP 2020-06 Pad Mounted Transformers

Ms. O'Brien explained two companies were nonresponsive.

Mr. Pacino made a motion, seconded by Mr. Coulter, that IFP 2020-06 for Pad Mounted Transformers be awarded to: WESCO Distribution, Inc., for \$220,756.00, pursuant to M.G.L. Chapter 164 Section 56D, on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

IFP 2020-07 Digger Derrick Truck with Trade-In

Ms. O'Brien explained that all bids except one were responsive.

Mr. Pacino made a motion, seconded by Mr. Coulter, that IFP 2020-07 for one (1) Digger Derrick Truck with Trade-In be awarded to: Minuteman Trucks, Inc. for \$284,955.67, pursuant to M.G.L. Chapter 164, Section 56D, on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

IFB 2020-10 Grounds and Landscape Services

Ms. O'Brien explained this includes weekly maintenance of lawns of eight properties for three years.

Mr. Pacino made a motion, seconded by Mr. Coulter, that IFB 2020-10 for Grounds and Landscaping Services be awarded to: Pathfinder Tree Service, LLC, for \$125,283.00, pursuant to M.G.L. Chapter 30B, as the lowest responsive and responsible bidder, on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

Reorganization of the RMLD Board of Commissioners

Mr. Hennessy made a motion, seconded by Mr. Pacino, to nominate John Stempeck for Chair of the Board of Commissioners.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

Mr. Stempeck made a motion, seconded by Mr. Pacino, to nominate Dave Hennessy for Vice Chair of the Board of Commissioners.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Vice Chair Stempeck: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

Mr. Pacino stated that he would continue to assume the secretary position for foreseeable future.

General Discussion

Meeting dates were discussed.

Adjournment

At 8:35 p.m., Mr. Pacino made a motion, seconded by Mr. Stempeck, that the Board adjourn.

Roll call vote: Vice Chair Hennessy: Aye; Mr. Coulter: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

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

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