



Town of Reading Meeting Minutes

2016-09-22 LAG

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-01-23

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, Chair; John Stempeck, Vice Chair; Thomas O'Rourke, Commissioner; David Hennessy, Commissioner; Philip B. Pacino, Commissioner

Members - Not Present:

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Hamid Jaffari, Director of Engineering and Operations; Charles Underhill, Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance and Utility Technology; Tracy Schultz, Executive Assistant

George Hooper, Citizens' Advisory Board

Vanessa Alvarado, Select Board
Mark Dockser, Select Board
Karen Herrick, Finance Committee
Sean Jacobs, Finance Committee

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.

Public Comment

Mr. Dockser stated that the Select Board met on the 21st of January and reviewed the discussion regarding the Town payment and stated their desire for a joint meeting with the RMLD Board of Commissioners. Mr. Dockser stated that the RMLD and the Town should be working collaboratively and that there should be discussion before any decisions are made. Concerns have been raised about one of the options which would result in a substantial decrease in both short and long-term payments to the Town. Further, Mr. Dockser indicated that the Town and school budgets are built around planned revenues and a cut of several hundred thousand dollars would require cuts. The town's Fiscal 2021 budget is currently being discussed and will be going to Town Meeting in April.

Public Comment

The Select Board doesn't feel that Option One is a reasonable option. Mr. Dockser stated that he looked into the Energy New England study, which referenced utilities that pay over one million dollars: in the study there were six. The average payment was 4.4 percent of revenue. By that calculation, RMLD is at 4.3. The Select Board appreciates that there is more than one proposal, but Mr. Dockser stated that the proposals don't fully reflect the needs of the Town and that one or more additional options should be on the table for discussion. Mr. Dockser stated that the Select Board also discussed the need for increased capital funding and improvements. One of the advantages that the Town of Reading brings is the ability to raise debt. The Town just raised \$1.6 million at 1.06 percent interest. Mr. Dockser concluded by stating that the Select Board would welcome a meeting with the RMLD to move the process forward.

Chair Talbot stated that he would be happy to call a joint meeting. Vice Chair Stempeck stated that the Board of Commissioners share the Towns concerns. Vice Chair Stempeck stated that RMLD serves four towns.

Ms. Alvarado stated that the Select Board is hopeful about moving the discussion forward. Mr. Pacino stated that the other Towns also need to be considered. Mr. Pacino stated that he has been a Commissioner for thirty-three years and when he joined the Board the Town of Wilmington was considering leaving RMLD because they felt that everything was being operated for the benefit of Reading. There were two votes at Town Meeting regarding whether to withdraw from RMLD. Mr. Pacino said he and the General Manager negotiated with Select Board members from Wilmington and came up with the Twenty-Year Agreement, which created the CAB and other items that insured the peace and success of the RMLD for over the thirty-three years.

General Manager's Report

Ms. O'Brien provided updates on the roof repair and condemned deck/patio renovations and RMLD's emergency generator replacement.

a. NextEra Energy Marketing Public Power Summit

Ms. O'Brien stated she has been asked to be a speaker on smart microgrids.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board approve Ms. O'Brien's travel to, and attendance at, the NextEra Energy Marketing Public Power Summit, in Manalapan, Florida, from February 2 to February 5, 2020.

Motion Carried: 5:0:0.

b. APPA Legislative Rally

Ms. O'Brien stated she is not planning on attending this year due to other commitments.

Ms. O'Brien's evaluation Six-Month Adjustment to Reflect Change from Fiscal Year to Calendar Year

Vice Chair Stempeck made a motion, seconded by Mr. Pacino, to increase Ms. O'Brien's salary by 1.75 percent beginning January 1, 2020, to be representative of the period from June 30, 2019 to December 31, 2019 with an additional bonus of \$2,000, with the option to apply the bonus to ICMA.

Discussion ensued about the reasons for the increase. The Commission expressed their feelings that the General Manager was performing well and deserve the increase

Motion Carried: 5:0:0.

The Commission then applauded the General Manager.

2020 Board and GM Goals

Chair Talbot explained that a table matrix was assembled by Ms. Schultz based on what the Board members sent in. Mr. O'Rourke stated that Ms. O'Brien has a large number of goals and these are additional priorities. Mr. Hennessy added that it's important that Ms. O'Brien's input is considered. Mr. Pacino stated his goals for Ms. O'Brien are reliable power at the lowest cost. Chair Talbot then read the goals that each Commissioner submitted, and Ms. O'Brien addressed potential barriers to each goal. Ms. O'Brien asked that the Board submit agenda items in a timely matter for each meeting. Ms. O'Brien stated that the Board needs to decide on the renewable energy policy. There was discussion regarding whether the intentions of the Town regarding the land where the RMLD headquarters is located should be a goal. Doing quick research to determine the value of the buildings, current location, etc. was discussed. Having a scorecard for alternate revenue streams, electrification, and reviewing RMLD's mission statement were also mentioned. The Board decided to vote on the goals at the next meeting.

Report on Small Cell Siting Requests and Policy

Ms. O'Brien explained that there was a customer who was concerned that a new pole would be installed in front of their business for a small cell, which was being petitioned to the Town of Reading DPW. She indicated that the FCC has now deemed wireless small cell as a utility and the RMLD would need to allow the attachments with the exceptions of capacity and safety. That the RMLD is generating a comprehensive Small Cell Master Agreement which should dovetail into each town's aesthetic policy on small cell attachments. That the RMLD, upon notification that the town has issued a permit to the small cell wireless company, would work with the wireless company to evaluate the pole locations for potential attachments. Some pole location requests from the wireless company may not be acceptable due to reserved capacity, safety, etc. which could result in a new sole owned pole by the wireless company. Initial discussions with Verizon have indicated that they may have upwards of 40-50 locations in Reading. The RMLD will be sending a copy of its DRAFT Master Agreement to the towns to continue discussions and proper communications on this new FCC order. Chair Talbot stated technical standards will be needed.

Integrated Resources Division

a. Community Relations Update

Mr. Underhill stated the historic calendar was released in conjunction with a coat drive: approximately 325 coats were collected and turned over to Anton's Cleaners. The art contest award ceremonies will be scheduled for February. New homeowner information sessions will be coming up in March. The new IVR (spell out – check with Hamid) system and the importance of customers enrolling in the program to receive texts, emails, etc. for outage notifications, was discussed.

b. Power Supply Report

Mr. Underhill discussed calendar year 2019: absent any adjustments issued by ISO in the following month, RMLD has the data for the previous year. RMLD was under budget. November and December actuals for power supply costs came in under budget. Energy costs were close: December energy costs were slightly above what was budgeted. Savings were in capacity and transmission. Capacity was about \$1.5 million below what was budgeted. Actual transmission costs in May, June, and July were below budget because the budget was prepared without an adjustment for the battery. Mr. Underhill stated that overall, loads were slightly below what was budgeted. Mr. Underhill stated that RMLD met with a member of the Reading Conservation Commission who owns a consulting company that looks at heat pump technology for Mass Save. He's going to draft a proposal to help RMLD in the evaluation and implementation of heat pump technology.

General Discussion

Ms. Herrick asked what metric a municipal light plant uses to determine if it is properly leveraging its assets. Mr. Underhill stated that the system is divided into two operating characteristics that an MLP works against: power supply comprises approximately 75 percent of operating cost and the MLP targets finishing the year at zero. Therefore, MLPs are constantly adjusting to ensure what is collected from the ratepayers is what is needed to pay power supply bills. Ms. Herrick then asked

General Discussion

within the industry, is there a gold standard. Mr. Stempeck replied that RMLD tried to keep the lowest possible rates for its customers and it's very different than the investor-owned utilities. Ms. O'Brien stated that there are a number of different metrics such as reliability, rate comparisons for all classes, operating ratio, etc. Chair Talbot added that geographic areas differ in the characteristics of customers so it's difficult to compare. Mr. Pacino added that Reading is unique because it provides service to four towns. Ms. O'Brien stated that loads differ; 80 percent of RMLD's customers are residential but that only comprises 20 percent of the load. 20 percent of RMLD's customers are commercial and industrial, yet they account for 80 percent of the load. APPA lists each municipal by revenue class because of these differences. Chair Talbot added that under Chapter 164, municipalities can only make a return of up to eight percent of net plant. Ms. O'Brien added that power supply is a pass through; there is no return made on power supply. Mr. Underhill stated it's helpful to look at risks, such as the risk of volatility of rates, the risk of running out of cash, and the risk of losing load.

Meeting dates were discussed. Ms. O'Brien suggested discussing renewables and RECs at one of the next meetings.

Adjournment

At 9:24 p.m., Mr. Pacino made a motion, seconded by Mr. Stempeck, that the Board go into Executive Session to consider the purchase of real estate and return to Regular Session for the sole purpose of adjournment.

Roll call vote: Mr. Pacino: Aye; Vice Chair Stempeck: Aye; Mr. O'Rourke: Aye; Mr. Hennessy: Aye; Chair Talbot: Aye.

Motion Carried: 5:0:0.

The Board returned to regular session for the sole purpose of adjournment and on the motion made by Mr. Pacino and seconded by Mr. Stempeck, adjourned the regular session at 10:00 pm.

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