



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-08-20

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:**

Due to the pandemic and the March 12, 2020 Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, all participants attended remotely.

John Stempeck, Chair; David Hennessy, Vice Chair; David Talbot, Commissioner; Robert Coulter, Commissioner; Philip B. Pacino, Commissioner

Members - Not Present:

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Hamid Jaffari, Director of Engineering and Operations; John McDonagh, Assistant 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

Gail Page, Green Sanctuaries
Lynn Champion, 8 Franklin Avenue, Wilmington
James Satterthwaite, 8 Hunt Street, Reading
John Rogers, 39 Tower Hill Road, Reading

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

Topics of Discussion:

Call Meeting to Order

Chair Stempeck called the meeting to order and read RMLD's Code of Conduct. Chair Stempeck announced that the meeting is being recorded via Zoom for distribution to the community television stations in North Reading, Lynnfield, and Wilmington.

Chair Stempeck asked Mr. Pacino to serve as Board Secretary.

Mr. Pacino summarized the CAB meeting he attended directly before the Board meeting. It included the same small cell presentation that the Board will be receiving. Jason Small was elected Chair and Vivek Soni was elected Vice Chair.

Public Comment

Chair Stempeck stated that GRACE had sent a letter of requests to RMLD and stated that if GRACE wants RMLD to follow the same policies as the IOUs, then GRACE should clearly define what those policies are. The letter also stated, "we would be willing to pay for a rate increase to accomplish this." Chair Stempeck explained that RMLD is very sensitive to rate increases, particularly during the pandemic. RMLD's charter states power is to be supplied at the lowest possible cost to its customers in all four of the communities that it serves.

Ms. Page read a prepared statement, stating she is in attendance as chair of the Green Sanctuary Climate Justice Group of the Unitarian Universalist Church of Reading, and as Coordinator of the Greater Reading Alliance for Clean Energy (GRACE). Ms. Page stated that she has great respect and admiration for RMLD. RMLD has done an admirable job of meeting its mission of providing safe, reliable, and competitively priced electricity. RMLD's financial sheet is remarkably strong and the depth of knowledge and future planning skills demonstrated by the Ms. O'Brien and Mr. Underhill are impressive. However, times have changed. RMLD has had the same mission for 125 years and it is time for a change due to the climate crisis. Ms. Page stated she hopes that RMLD recognizes that humanity is at a tipping point. Either we do what is needed now to turn back the climate crisis or we become accomplices in the worsening of the crisis. Unaddressed, the climate crisis ends in humanity paying a terrible price in human suffering, loss of life, and environmental destruction. Stopping the use of carbon-emitting fuels is one critical part of reversing climate change. Historically, electricity has been created from the burning of carbon-emitting fossil fuels. Our best hope for the future is a three-step process: 1) having all electricity generated from clean, renewable, non-carbon emitting sources; 2) electrifying heating, cooling, cooking, and transportation; and 3) reducing electricity through energy efficiency measures. RMLD staff and Board are ideally placed to play a significant role in the solution to climate change. GRACE asks that RMLD takes on this challenge, which is why GRACE made its request that, at the least, the RMLD meet both the Renewable Portfolio Standard and the Clean Energy Standard, as clearly defined in law and mandated for the IOUs. If different standards are imposed on the IOUs, then RMLD should comply with those standards. GRACE is open to discussion and wants to understand what obstacles, if any, exist to fulfilling its request. The hope is that through communication, mutual understanding, and problem solving, ways can be found for RMLD to meet its goals, along with the goals required to meet this moment of climate crisis.

Chair Stempeck thanked Ms. Page and stated that in September, GRACE can present what it expects the RMLD to do to mirror the IOUs. Mr. Satterthwaite stated that the IOUs need to comply with the Renewable Portfolio Standard and the Clean Energy Standard: those requirements are spelled out explicitly in law and it's a transparent public process. Chair Stempeck replied that GRACE needs to show RMLD what they think the IOUs are doing, what the data sources are that are being used, and then present a definitive analysis, which can then be compared with what RMLD thinks the IOUs are doing. Chair Stempeck stated that rather than just making requests, GRACE should be more involved in the process. It's incumbent upon GRACE to define what the IOUs are doing and why GRACE thinks that the IOUs are doing a better job than RMLD. It can be an agenda item on the September agenda. Mr. Rogers replied that the numbers aren't hard to come up with, and the IOUs are required to have RECs to meet the proscribed standards. Mr. Rogers stated he would like to know the cost implications of RMLD retiring the RECs needed to meet the standards the IOUs must adhere to. Mr. Rogers stated that GRACE is willing to provide more information. Chair Stempeck added that there is a historical element to the issue of RECs, which goes back about ten years. The majority of the communities wanted to sell the RECs. There were significant cost differences between keeping the RECs or retiring the RECs. RMLD is open to adjusting its mission, but at the end of the day, RMLD serves four communities, and the Commissioners need to be responsive to all four towns.

Mr. Pacino stated that Jim Blomley, a longtime RMLD employee for 42 years, passed away last month. The Board expressed their condolences for the family, including Jim's wife Donna, who herself is a retired RMLD employee.

General Manager's Report

2021 Budget

Ms. O'Brien explained that according to the Twenty-Year Agreement, RMLD needs to get the budget to the CAB by October 1. RMLD has been working on the budget since July and no major changes are expected other than the substation and AML meter conversions.

Small Cell Wireless

Mr. McDonagh explained his presentation is regarding wireless communication and the installation and propagation of 5G signaling. The FCC changed its regulations: wireless communications are now classified as a utility. This means that wireless companies can now leverage the FCC guidelines to start installing small cell wireless facilities in public and private rights of way. Carriers will still need to apply to communities for the installation of this wireless equipment. While there is a legal argument that the FCC order doesn't apply to RMLD, RMLD is working in good faith to accommodate this new technology. This includes responding to properly completed applications within 60 days and then scheduling and completing the work thirty days thereafter. Each wireless company must apply to each municipality. Once a wireless company has been granted permission by the respective town and joint pole owner, the wireless company also must apply to the RMLD. The wireless company is limited to ten pole licenses per application. RMLD's process flow was presented. RMLD will do calculations to ensure that each pole can handle the requested load of equipment. If it is determined that a larger class of pole is needed to accommodate the proposed equipment, RMLD or Verizon would need to replace the pole. The wireless company would then need to pay RMLD for the replacement costs. The wireless company can then contract with RMLD to install the equipment, or, they can sub-contract to a qualified third-party line company. Regardless of who performs the install, RMLD has a set of specifications that must be adhered to.

Mr. Pacino at this point asked about cost. Mr. McDonagh explained that there are application fees to perform analysis and the wireless company will pay for any new equipment. Chair Stempeck asked what would happen if multiple carriers filed applications. Mr. McDonagh responded that it's first come, first serve.

Mr. McDonagh then continued with his presentation, stating each town has been asked to notify RMLD when a wireless company has been granted permission to install equipment in the public right-of-way. RMLD will notify the respective town upon receipt of wireless applications. Chair Stempeck asked how many kWh each wireless unit will use. Mr. Coulter stated that National Grid estimated that a 60-amp service running constantly all year would be about \$4,000 worth of usage per year, per pole. Mr. McDonagh discussed aesthetics, which the towns will need to determine. Ms. O'Brien stated that communication with each town will be important and that the Master Agreement is nearly completed.

Integrated Resources Division

Power Supply

Mr. Underhill stated that the first seven months of 2020 show lower forecasted loads at the start of the year. However, in June and July loads were greater than what was predicted. Currently, RMLD is running about three percent under what was forecasted. There hasn't been a large load reduction due to COVID. The load was lower in the earlier half of the year because it was warmer than average. The warmer-than-average summer has resulted in more cooling degree days. Energy costs, which are about 80 percent of the power supply budget, have been tracking closely. Capacity costs are lower than what was forecast. Those are set the year before. Transmission costs are down due to peak-shaving with the generator and battery storage system. From January through April, RMLD had sales back to the power supply pool due to lower than anticipated loads.

Mr. Underhill then gave an update on the Clean Energy Standard. Due to a mismatch between House bill H4933 and Senate bill S2500, a Conference Committee has been formed. The Golden Bill was incorporated into H4933 and is part of Roadmap 2050 legislation. The conference committee that was formed to resolve the differences in energy legislation has six members: five

of those members serve communities with municipal light plants. The sixth committee member is Representative Golden.

Mr. Underhill then discussed RMLD's power supply through 2040, stating that from 2021 to 2030, municipal light plants will catch up to the requirements of the Clean Energy Standard, which is 80 percent carbon-free emissions by 2050. There was discussion regarding pending legislation. Mr. Underhill then presented the impact on rates of retiring RECs. If RMLD retires RECs in 2022, a four percent rate increase would be needed. RMLD would then need another two percent increase in 2023 to make up the additional margin. Mr. Hennessy asked what was included in biomass. Mr. Underhill replied it's the combustion of green material, such as wood chips.

Mr. Underhill then presented the performance of RMLD's peak demand assets so far in 2020 and to-date. Thus far, the battery energy storage system has had a positive impact on RMLD's portfolio of \$751,457. The 2.5-megawatt generator has had a positive impact of \$1,407,756. The first Solar Choice program is just under \$100,000. The total impact of peak management activity has been \$2,233,836.

Mr. Underhill reviewed FERC litigation activities. The RMLC intervention on filing related to Mystic power plan and in National Grid's transmission resulted in significant cost savings.

Financial Update

Ms. Markiewicz reported on financials for the first six months of 2020, ending June 30. Ms. Markiewicz explained that RMLD reforecast its plan a few months ago and is on target. RMLD is currently at negative one percent for sales. Expenses between June of this year and June of last year are comparable. Purchase power revenue is \$2 million under. This is a pass-through to customers and at year end typically balances out. RMLD's cash balances are in a good position. Unrestricted funds total \$22 million and restricted funds total \$27 million. Sick leave benefits are at \$792,000, which is low compared to the past. Accounts receivable in April, May, and June are in line with last year for April and May. In June of this year, customers didn't pay as quickly as last year. RMLD is typically at 86 percent for 30 days, and now it's at 79 percent. Ms. Markiewicz then returned to the subject of sick leave buy-back. Changes were made to the collective bargaining agreements allowing employees to buy-back sick time. This has been an ongoing effort to minimize sick leave liability. In June of 2016 RMLD had a sick leave buy-back liability of \$3.3 million. As of June 2020, it is down to \$2.1 million, that's a four year drop of \$1.2 million. Ms. Markiewicz then discussed operating revenue to overhead and explained that operating revenue has trended down the last three years, which has a lot to do with the decrease in purchase power expenses. Maintenance, general and administrative expenses have stayed stable from 2018 to 2020: there was only an increase of about \$200,000. The expenses that RMLD can control are flat.

Engineering and Operations Report

Mr. Jaffari began by reviewing construction projects, including a step-down conversion in Lynnfield Center. There are 54 poles involved and the project is 15 percent complete. RMLD is in phase II of a line extension at Marion Street in Wilmington. The project is ongoing and is expected to be completed by the end of the year. The Parkview Road in Reading area upgrade is anticipated to be completed by the third week of August. The Kenwood Road in Wilmington area upgrade is approximately 33 percent completed. It should be finished by December 2020. Westover Drive underground facilities upgrade should be completed in about three weeks. The underground facilities upgrade at Greenbriar Drive in North Reading has been completed. Mr. Jaffari reviewed other projects, including the implementation of power factor optimization software, the solar capacity study, and the meter replacement project.

Maintenance programs were discussed, including tree trimming, pole inspections, and infrared scans. The manhole inspection program found 30 manholes need to be replaced: Mr. Jaffari explained that the Board would be voting on that bid shortly. The aged transformer replacement program shows that 38 percent of RMLD's transformers are over 25 years old. That doesn't mean the transformers will fail, but they are prioritized for replacement. To date, approximately 48 single phase transformers, four three-phase transformers, and nine pad-mount transformers have been

replaced this year, for a total of 61. The total this time last year was around 80 or 90. COVID is responsible for the difference.

Capital spending through June was \$3.6 million. The budget was \$11.5 million. Some projects have been delayed. The remaining balance is approximately \$7.9 million. Mr. Jaffari stated there are 64 poles awaiting transfer in Lynnfield, 14 pull poles and two disputed poles in North Reading, 23 transfers and two pull poles in Reading, and 86 transfers and one pull pole in Wilmington.

RMLD's reliability is great. Mr. Jaffari presented photos of RMLD's new deck.

RMLD Procurement Requests Requiring Board Approval
IFB 2020-25 - Excavation and Repairs of Electric Utility Manholes

Mr. Jaffari explained that the request was sent out to 20 companies and only three bids were received. These are the 30 aforementioned manhole covers.

Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that IFB 2020-25 for Excavation and Repairs of Electric Utility Manholes be awarded to: **Tim Zanelli Excavating, LLC, for a total amount of \$129,750** pursuant to M.G.L c. 30 Section 39M, as the lowest responsible and eligible bidder on the recommendation of the General Manager.

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

Motion Carried: 5:0:0.

General Discussion

Meeting dates were discussed.

Adjournment

At 9:43 p.m., Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board go into executive session to consider the purchase of real property and to return to regular session for the sole purpose of adjournment.

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

Motion Carried: 5:0:0.

At 10:05 p.m., Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board adjourn.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: 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
Philip B Pacino (Feb 1, 2021 13:30 EST)

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

2-1-2021