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**AGENDA  
REGULAR SESSION**

**CITIZENS' ADVISORY BOARD (CAB)**

**MONDAY, SEPTEMBER 14, 2009**

**6:30 P.M.**

**at**

**READING MUNICIPAL LIGHT DEPARTMENT  
230 ASH STREET  
READING, MA 01867**

1. Call Meeting to Order – A. Carakatsane, Chairman
2. Minutes of Meetings – A. Carakatsane  
April 13, 2009; April 14, 2009; June 15, 2009
3. Smart Grid Presentation (see attached) – K. Sullivan, J. Carpenter
4. Power Supply Update – V. Cameron
5. Green Communities Act – V. Cameron
6. Year End Financials Update – R. Fournier
7. Twenty-Year Agreement Amendment – V. Cameron
8. Twenty-Year Agreement Extension – V. Cameron
9. Other Items for Discussion
  - a. 2009 NEPPA Annual Conference – September 20-23
9. Schedule Next Meeting
10. Executive Session

**Suggested Motion:**  
Move that the CAB go into Executive Session based on Chapter 164 Section 47D, exemption from public records and open meeting requirements in certain instances, to discuss power supply, to approve minutes, and return to Regular Session for the sole purpose of adjournment.
11. Adjournment

Next RMLD Board Meeting – Wednesday, September 30, 2009 at 7:30 P.M.  
CAB Representative: Arthur Carakatsane



230 Ash Street, P.O. Box 150  
Reading, MA 01867-0250

**Reference Information - Appropriate topics for Executive Session: This Agenda has been prepared in advance and does not necessarily include all matters, which may be taken up at this meeting.**

Chapter 164: Section 47D. Exemption from public records and open meeting requirements in certain instances

Section 47D. A municipal lighting plant created pursuant to the provisions of this chapter or any special law shall be exempt from the public record requirements of section 10 of chapter 66 and the open meeting requirements of section 23B of chapter 39 in those instances when necessary for protecting trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter when such municipal lighting plant board determines that such disclosure will adversely affect its ability to conduct business in relation to other entities making, selling, or distributing electric power and energy pursuant to this chapter.

**Reference Information - Appropriate topics for Executive Session: This Agenda has been prepared in advance and does not necessarily include all matters, which may be taken up at this meeting.**

- (1) to discuss the "reputation, character, physical condition or mental health rather than the professional competence" of a particular individual,
- (2) to consider the discipline or dismissal of, or to hear complaints or charges brought against a public officer, employee, staff member, or individual,
- (3) to discuss strategy with respect to collective bargaining or litigation, if an open meeting may have a detrimental effect on the bargaining or litigating position of the governmental body; to conduct strategy sessions in preparation for negotiations with nonunion personnel; and to conduct collective bargaining sessions or contract negotiations with nonunion personnel,
- (4) to discuss the deployment of security personnel or devices,
- (5) to investigate charges of criminal misconduct or to discuss the filing of criminal complaints,
- (6) to consider the purchase, exchange, lease or value of real property if an open discussion may have a detrimental effect on the negotiating position of the governmental body with a person, firm, or corporation,
- (7) to comply with the provisions of any general or special law or Federal grant-in-aid requirements,
- (8) to consider and interview applicants for employment by a preliminary screening committee or a subcommittee appointed by a governmental body if an open meeting will have a detrimental effect in obtaining qualified applicants; provided, however, that this clause shall not apply to any meeting, including meetings of a preliminary screening committee or a subcommittee appointed by a governmental body, to consider and interview applicants who have passed a primary or preliminary screening,
- (9) to meet or confer with a mediator, as defined in section twenty-three C of chapter two hundred and thirty-three, with respect to any litigation or decision on any public business within its jurisdiction involving another party, group or body, provided that: (a) any decision to participate in mediation shall be made in open meeting session and the parties, issues involved and purpose of the mediation, shall be disclosed; and (b) no action shall be taken by any governmental body with respect to those issues which are the subject of the mediation without deliberation and approval for such action at an open meeting after such notice as may be required in this section.

**and to return to regular session [choose applicable topics]**

- (1) for the sole purpose of adjournment;
  - (2) for the purposes of continuing regular session;
- [individually list each Commissioner and their vote]**

Revised in accordance with the Open Meeting Law Guidelines, September, 2003

**CITIZENS' ADVISORY BOARD  
MEETING MINUTES  
Regular Session**

TIME: 6:30 P.M.  
 DATE: Monday, April 13, 2009  
 PLACE: Reading Municipal Light Department, Spurr/AV Room  
 PRESENT: CAB: A. Carakatsane, Chairman, (Lynnfield), J. Norton, Secretary, (North Reading),  
 Q. Vale (Wilmington), G. Hooper (Wilmington)  
 RMLD Board: Chair Hahn  
 RMLD Staff: V. Cameron, R. Fournier, J. Parenteau, K. Sullivan, J. Donahoe, M. Uvanni,  
 P. O'Leary  
 Absent: T. Sopchak (Reading)

**1. Call Meeting to Order – A. Carakatsane**

Chairman Carakatsane called the meeting to order at 6:32 P.M.

At the request of Mr. Cameron, Chairman Carakatsane announced that Executive Session would be taken out of order.

**5. Executive Session**

Mr. Norton made the following motion seconded by Mr. Vale:

MOVE that the CAB go into Executive Session based on Chapter 164, Section 47D, exemption from public records and open meeting requirements in certain instances, to approve minutes, and return to continue Regular Session.

**Motion carried by a poll of the Board 4:0:0:** Mr. Vale – Aye; Mr. Norton – Aye;  
 Mr. Hooper – Aye; and Mr. Carakatsane – Aye.

Note: Regular session resumed at 6:43 P.M.

**2. FY2010 Capital Budget – V. Cameron, R. Fournier**

Mr. Cameron asked that the smaller portions of the Capital Budget, Facilities and MIS, be discussed first so that the managers of those departments could then leave.

Projects # 27, Hardware, and #28, Software - Mr. Uvanni described the projects and noted that both budgets have been reduced as compared to last year's budget.

Mr. Hahn asked if there were a relation between Project 27, Part 4, Security Cameras, and Project 21, Security Upgrades at the RMLD.

Mr. Uvanni responded that the security cameras in Project 27 are for indoor cameras and Project 21 are for outdoor cameras.

Mr. Hooper asked if they will all be web-based.

Mr. Uvanni said "yes", and that no special software is needed.

Mr. Carakatsane asked what the relationship is between Project 15, GIS, and Project 28, Item 7.

Mr. Sullivan responded that FY09 Project 15, GIS, is all RMLD labor for verification of information from FY09 Project 15, GIS, which has progressed very well. Reading is complete; North Reading will be complete by the end of the month; and then the other two towns will be completed. It's digitizing of existing underground plans and maintenance on the three step down areas in Reading. Project 28, Item 7 refers to the integration of the Outage Management System (OMS) and GIS together as one application.

Mr. Hahn asked if Project 15 would be gathering the data and making sure it is accurate to convert to electronic form whereas Project 27 would be programming to integrate those two systems?

Mr. Sullivan replied, "almost", and added that the gathering of information was done in FY09 Project 15.

Mr. Carakatsane's concern is how long the GIS has been in the budget with little progress.

Mr. Sullivan assured Mr. Carakatsane that the project is well on its way now.

Projects # 18 - 21- Mr. Donahoe described these projects:

In Project #19, Replace Line Department Vehicles, he explained that although the trucks have been ordered in FY09, delivery and payment would not be made until FY10. This will keep the Department on track for ordering two trucks each year.

In Project #20, Mr. Donahoe stated that since the Town has switched over to MWRA water, all the values of the water have improved so he believes that once everything is changed out, the rusting problem should not occur as quickly as it did in the past.

Regarding Project #21, Mr. Carakatsane asked if anything was done in the FY09 budget on this project.

Mr. Donahoe replied that the only security item that was done in FY09 was the security gate into the parking lot.

Projects #1 through #17 and #22- #23 - Mr. Sullivan described these projects:

Ms. O'Leary gave a brief overview:

- Hourly labor rates are averaged between FY09 and FY10. FY10 does include a 2% estimated increase.
- Cable wire prices remained the same as FY09 except for the underground wire, which was reduced slightly.
- Two projects #22 and #23 are out of sequence for tracking purposes. Work orders are assigned to each project and it's important to keep the same work order numbers for carryover projects.
- Four new projects are specified in the project summary list for FY10.
- Project #6 has a title change from Bay State Road to Haverhill Street.

Mr. Sullivan stated there are many carryovers from FY09. He explained that the RMLD is involved in projects that were not planned that had to be done, such as the Martin's Pond Project, West Street/Lowell Street Project, Maple/Oakdale Project, the 35kV Maintenance Project on 4P2 and 4P9 that serves the Wildwood Substation from Gaw, and the Reading Center Force Account Project. These five projects were the main reason for pushing other projects into FY10.

Mr. Cameron noted that this was not unusual.

Mr. Vale asked if next year a list of what has been finished and what will be carried over could be submitted with the budget.

Mr. Sullivan scanned the list of FY09 projects and said that none of the projects had been finished, but several are very close to being completed.

Mr. Sullivan then described the FY10 Projects:

Project #1 – Stepdown Areas – Reading – Portion carried over. The crews are heavily involved in this project and approximately 20% will be carried over to FY10.

Project #22 – Main Street – Wilmington – New project. This is an upgrade from open wire primary and secondary to Hendrix cable primary and triplex secondary that will increase load growth in neighborhoods.

Project #2 – Station #4 Getaway Feeder 3W30 Replacement – Carryover. Replaces 40-year-old cable that leeches water and will increase the MW capacity.

Project #3 – Station #4 Getaway Feeder 4W17 Replacement – New. Much the same as Project #2 except in the amount of cable being purchased.

Project #4 – Salem Street Area – Wilmington – Portion carried over. This is an upgrade to the area and a back up for the USPS Process and Distribution Center and JT Berry site. The work will be split about 50/50 between FY09 and FY10.

Project #5 – High Capacity Tie 4W18/3W8 Franklin Street – Reading – Carryover. Offers the flexibility to quickly restore an outage situation from the complete loss of a bus section at either Station 3 or 4 via overhead.

Project #6 – Haverhill Street – Reading – Reconductoring – New. This project has been renamed from “Bay State Road-Lynnfield” to “Haverhill Street-Reading”. There’s been an increase in load on this feeder including the Walker’s Brook Drive development, which warrants an upgrade of the cable.

Mr. Hahn questioned the weeks estimated to install 12 poles in this Project and 8 poles in Project 5.

Mr. Sullivan responded that a heavier cable is being used in Project 5 and that guying would be a factor in Project 5.

Project #7 – URD (Underground Residential Developments) – Carryover. Completes the underground loop feeds in three subdivisions. Customers could be out of power for hours if feeds are not completed.

Project #8 – Salem Street to Glen Road 13kV Tie – Wilmington – Carryover. This will enable back-up capability to Salem Street, tree wire, and load balancing.

Project #9 – Reading Center – Main Street – U/G – Portion carried over. This will be about 90% complete in FY09 and approximately 10% will be completed in FY10. Will provide a loop feed through the center, a voltage upgrade, and a reduction of load from Station #1.

Project #10 – Reading Center – Haven Street – U/G – Portion carried over. This will also be about 90% complete in FY09 and 10% to be completed in FY10. Provides a loop feed, a voltage upgrade, and a reduction of load from Station #1.

Project #11-Part 1 – Transformer Replacement – Station 4 – Contractual Labor – Portion carried over from FY09.

Mr. Cameron explained that the RMLD went out to bid for a General Contractor on February 5<sup>th</sup>, bids were returned March 11<sup>th</sup>, and Fischbach & Moore was selected though they were not the lowest bidder. JF White, the lowest bidder, filed a bid protest with the Attorney General’s (AGs) office. Comments were submitted today and there will be a hearing on Wednesday. The original plan was to have one transformer in before the peak and two transformers in after the peak; however, that may not happen. The Department is hoping that the AG responds quickly to avoid further delay.

Project #11-Part 2 – Procured Equipment – Portion carried over. Much of the material has been purchased but not yet installed.

Project #11-Part 3 – RMLD Labor – Portion carried over. The work that’s been done includes removing, installing, rewiring, and reconfiguring relays.

Project #11-Part 4 – Feeder Re-Assignment – Carryover. After the reconfiguring of the bus, this work will re-balance the station load.

Project #23 – 15kV Circuit Breaker Replacement at Station 5 – New. Correction on the Transformer Letters—should be Transformer D instead of A and Transformer E instead of B. These breakers have been discontinued since 1985 and parts are not available.

Project #12 – Service Installations-Commercial/Industrial – This cost is about 2/3 of the FY09 costs. Based on the FY09 annualized costs, the amount was reduced for FY10.

Project #13 – Service Installations – Residential Customers – Based on the FY09 annualized costs, the amount was reduced about \$12,000 for FY10.

Project #14 – Routine Construction – Held at about the same level as FY09 except for some labor increases.

Project #15 – GIS – Discussed above.

Project #16 – Transformers and Capacitors – Annual replacement of transformers based on an expectation of the Department's needs.

Mr. Carakatsane noted that it represents a significant reduction from last year.

Mr. Cameron stated that over the past few years a number of 25kVa transformers were replaced with 37.5 or 50 kVas resulting in very few being replaced over the past year.

Project #17 – Meter Purchases – Mr. Carakatsane asked if any of the meters were considered "smart" meters?

Mr. Sullivan replied, "no", they could not address a wireless installation.

Mr. Cameron explained that the high capacity "ERTs" that will be purchased will have the ability to send signals wireless to instrumentation in the house to let the customer know when the high and low usage occurs.

Mr. Carakatsane said what would be helpful to the customer is if the meter information could show up on the personal computer screen. He doesn't know if that technology is out there yet.

Mr. Hahn stated that it isn't a new technology, but it is very expensive.

Discussion ensued.

Mr. Carakatsane was open to suggestions for a possible pilot program regarding meters.

Mr. Cameron stated that the Department has recently hired an Energy Efficiency Manager who will be working on a variety of programs.

Mr. Sullivan noted that in Project #17 under "J" and "K", those meters refer to renewables.

Mr. Carakatsane suggested that the RMLD should think about doing a renewable project itself, i.e. solar panels on the roof and use it as a "demonstration" project. He thought a capital project could be dedicated to a "green" project.

Mr. Cameron stated that the Department could certainly look at something like that and added that since July 1, 2008, the Department has spent over \$60,000 worth of lighting retrofits to customers. For that \$60,000 the Department received almost 300kW of demand reduction in lighting. He said that the photovoltaics are probably \$10,000 a kW, and presently the Department is looking for the biggest return. He feels that saving 300kW is a good amount for this year.

Mr. Carakatsane asked how the Department accounts for unused capital budget funds?

Mr. Fournier referred to Page 4 of the financials, which summarizes all the capital funds used throughout the year. He further stated that the unused FY09 capital funds become the cash balance as of June 30, 2009, which in turn becomes the new cash balance as of July 1, 2010. Basically, it rolls over.

Mr. Norton asked Mr. Carakatsane if he wanted a motion to recommend the Capital Budget or to wait until tomorrow evening after the Operating Budget discussion.

Mr. Carakatsane responded to wait until tomorrow night.

**3. Other Items for Discussion**

None.

**4. Schedule Next Meeting**

Tuesday, April 14, 2009, North Reading, 235 North Street, Room 10

**6. Adjournment**

Mr. Norton made a motion seconded by Ms. Sopchak to adjourn Regular Session at 8:25 P.M.

**Motion carried: 4:0:0.**

Respectfully submitted,

\_\_\_\_\_  
John Norton, Secretary

Minutes approved on: \_\_\_\_\_

/pmo

**CITIZENS' ADVISORY BOARD  
MEETING MINUTES  
Regular Session**

TIME: 6:30 P.M.  
 DATE: Tuesday, April 14, 2009  
 PLACE: North Reading Town Hall, Room 10, 235 North Street, North Reading  
 PRESENT: CAB: A. Carakatsane, Chairman, (Lynnfield), J. Norton, Secretary, (North Reading),  
 Q. Vale (Wilmington), T. Sopchak, (Reading), G. Hooper (Wilmington)  
 RMLD Board: Chair Hahn  
 RMLD Staff: V. Cameron, R. Fournier, J. Parenteau, K. Sullivan, B. Antonio, P. O'Leary

**1. Call Meeting to Order – A. Carakatsane**

Chairman Carakatsane called the meeting to order at 6:32 P.M.

**2. FY2010 Operating Budget – V. Cameron, R. Fournier**

Mr. Carakatsane suggested voting on the Capital Budget before discussion of the Operating Budget.

Mr. Norton made the following motion seconded by Mr. Hooper:

MOVE that the CAB recommend to the RMLD Board of Commissioners the First Draft of the FY10 Capital Budget in the amount of \$6,533,256 dated April 1, 2009. Any significant changes are to be submitted to the CAB for review and recommendation.  
 Motion carried 4:0:1. (Ms. Sopchak abstained.)

Mr. Cameron referred to his Executive Summary and the Six-Year Plan included in the front of the Operating Budget binder. He stated he tried to hold the non-power supply expenses at the FY09 budget levels. He noted that the staff did a great job in keeping the expenses down, and came within \$192,000 over last year's level. One of the items that had to be recognized this year is the post-employment benefit funding, which this year is in the Operating Budget for \$377,000. If the Department did not have to recognize that liability, the FY10 budget would have been below the FY09 budget.

He added the staff is recommending increasing the Purchase Power Adjustment (PPA) from approximately \$.03 in 2009 to \$.051 in 2010.

Mr. Fournier referred to the sheet (see attached) he distributed entitled 2010 Operating Budget-Draft 1 dated 4/14/2009. It summarizes the major points of the FY10 Operating Budget Book. Mr. Fournier noted that the sheet shows that the RMLD is a high fixed cost organization and explained that although the total expenses are about \$87,000,000, if you deduct the fixed costs of \$76,154,779 and the semi variable costs of \$7,661,504, a total of \$3,131,092 or less than 4% of the budget is left to adjust.

**Purchase Power**

Ms. Parenteau referred to Page 4 under the Summary tab, which lists the various projects that the RMLD is contracted with. Projects are broken down by capacity payment, energy payment, and transition payment. Following are the highlights:

- Overall fuel is down significantly and that would be a pass through by the fuel charge adjustment and the department would be using the deferred fuel cash reserve.
- Fuel charge is anticipated to be in the mid \$.06 range. Currently it's about \$.059 and was at a high of \$.095.
- Overall capacity has increased approximately \$1.95 million as a result of the forward capacity market and the transition payments that the RMLD is obligated to pay. This rate is going from \$3.75 kW month to \$4.10 kW month.
- The Watson unit is coming on-line.



- Hope to receive PASNY credits in June to be applied in FY10, which has an overall cost of about \$1.9 million.
- Capacity and transmission are allowed to be covered through the PPA.
- A projected estimate for transmission includes a 17% increase for the R&S payment.
- The Capacity component is around \$26 million, which is about \$2.5 million higher than last year.

Mr. Hahn asked about the 17% increase.

Ms. Parenteau has not received any official document regarding the increase, but she believes the increase is accurately reflected.

Mr. Cameron explained that the transmission is under a tariff that has to be paid, and there is not much that the RMLD can do about the increases.

Mr. Parenteau stated that one thing the Energy Services Division (ESD) will be working on is lowering the peak demand monthly to manage the costs.

### **Business Division**

Mr. Fournier first made a few points:

- It is not a line item budget. Individual expenses are listed by line to give the reader a better idea of what makes up the number. If an expense is exceeded in one account and not another, it does not mean the money has to be spent.
- If the account is overspent, it is reported at the monthly meetings.
- If the money is not spent, it goes to the bottom line.
- One good storm or some unfortunate incident can throw the budget in a week.
- Salary increases are based on calendar year so there is a 2% increase from January through June 2010.
- Post employment benefit must now be accounted, and the Department made its first payment in FY09 and the FY10 payment is included in the budget.
- Pension contribution amount is not as high as it usually is due to the hit it took last year on the RMLD's investments. An actuarial study will be done in FY10.

### *Accounting*

Mr. Caraktasane stated there was a large increase in supplies and office supplies, and asked if it were something planned.

Mr. Fournier replied that under the supplies on page 3, there is an increase in postage and an adder in the town hall services. On the office supplies on page 4, the \$222,000 is the Department's baking fees including credit card fees.

Discussion ensued.

Mr. Norton asked how much (by percentage) is the Department up over last year with non-payment.

Mr. Fournier explained how difficult it is for many customers including loss of jobs, illnesses, etc. He stated he has increased the bad debt in Customer Service to \$150,000 from \$75,000-\$100,000.

Discussion ensued.

Mr. Carakatsane noted the increase in Outside Services.

Mr. Fournier explained the account.

### *Customer Services*

Mr. Fournier stated that one change on page 6 under Labor where it says Less: Eng Audits Tier 1 (10.0%) is going to Energy Services/Energy Conservation Program.

Mr. Fournier noted that since Atlantic Supermarket is closed and the RMLD's pay station gone, Town Hall offered their mailbox be used as a pay station for the convenience of RMLD customers.

*Management Information Systems*

Page 9 – Head count is reduced by one; training went down since one employee received his degree.

Discussion ensued.

*Miscellaneous Income Deduction*

Page 12 - 3% depreciation based on the projected net plant as of June 30; 2% voluntary payments to the four towns again based on the net plant and kWhs sold; customer deposits interest expense; payment to the town of Reading based on the CPI; book loss on disposal of assets (mainly transformers); interest expense bonds-last payment due on September 1; amortization debt expense-cost the RMLD pays to procure bonds, which will also disappear after bond is paid.

**Energy Services Division**

Ms. Parenteau stated that excluding labor the overall ESD budget has gone down about \$92,000. She detailed the decreases.

Discussion ensued.

Ms. Parenteau continued with explaining that the Residential and Commercial Conservation Programs have been added to the ESD budget. She said that the Energy Efficiency Engineer is on board and his time is split between the Residential, Residential Other, Commercial, and Commercial Other Conservation Programs. She noted that the Residential Rebate has been increased from \$60,000 to \$70,000 and the Residential Energy Audits from \$24,000 to \$25,000 as more customers try to look for ways to save money.

Mr. Carakatsane stated that the Department does recover the costs through the energy conservation charge.

Ms. Parenteau stated that is correct and there is a separate line item on the bill so that those dollars will be funding those programs.

Mr. Fournier referred to Page 1 of the Summary under Operating Revenue where there is a separate line for Energy Conservation for \$593,000. The programs are basically a pass through.

Discussion ensued.

**Engineering and Operations**

Mr. Sullivan reported that the E&O Division is down about 9.8% according to the three-year average and about 8% from FY2009. Two positions were cut (through attrition)--a station operator and a troubleman, which speaks for a large part of the deduction.

Mr. Norton asked with the reduction of one troubleman, are the same hours of service covered?

Mr. Sullivan replied that the weekend hours have been abbreviated, 8:00 A.M. to 8:00 P.M. Saturday and Sunday, as opposed to 7:00 A.M. to 11:00 P.M.

Mr. Carakatsane asked if an on-call employee covers the other hours?

Mr. Sullivan replied, "yes".

*E&O Manager Department*

There is a \$53,000 reduction due to the reallocation of the Operational Assistant- Engineering to the Engineering Department.

*Engineering*

Currently there are four employees and there will be five employees.

*Line Department*

There is a reduction from \$2.1 million to \$1.8 million and that is the split between Operating and Capital.

Mr. Carakatsane asked about tree trimming.

Mr. Sullivan replied there is a reduction—this year there will be one crew versus one and one-half last year. Mr. Sullivan noted that if there were a need, the department would hire another crew.

Mr. Norton expressed his concern about cutting it too far due to what happened to our northwest neighbors and Unitil during and after a storm. He does not want to see tree trimming cut back any further.

Mr. Carakatsane asked about maintenance of streetlighting and asked if towns were cutting back on streetlights again as they did in the early 2000s?

Mr. Cameron replied that none of the towns have reduced their streetlights.

Ms. Sopchak asked about 5593 on the AC Summary sheets and its reduction.

Mr. Sullivan stated that this item speaks to a capital/operating budget split and reduction of police details.

The overtime is up about \$60,000 because in annualizing the number, we felt the figure was not where it should be in 2009.

Staffing includes a total of 19 lineman, which puts it below 2008 staffing of 21. There are three apprentices with an opening for a fourth and one opening for a first-class lineman.

Mr. Norton asked how many hours did the troubleman actually work in a week?

Mr. Sullivan replied that without overtime, 40 hours.

Mr. Norton asked with overtime?

Mr. Sullivan replied it varied.

Mr. Norton asked if we were covering two people per day?

Mr. Sullivan replied that there are two shifts per day, 7:00 A.M. to 3:00 P.M. and 3:00 P.M. to 11:00 P.M., with the rest of the hours covered by stand-by.

Mr. Norton asked that if the department is down one troubleman and an off-hour situation arises, and if the two troublemen are not available, who does it go to next?

Mr. Sullivan replied that the entire line department (those who are qualified) has been enabled to fill in for the troubleman. Basically most of the linemen (12) minus the apprentices are qualified.

Mr. Norton's concern was not having enough coverage.

Mr. Vale questioned the clothing line allowance.

Mr. Fournier explained that the crews now have fire retardant (FR) clothing that must be purchased so the clothing allowance line is no longer. The FR clothing is under general expense.

Ms. Sopchak asked about hiring an additional employee instead of having overtime.

Mr. Sullivan responded that this is an analysis done depending on the cost-benefit. The General Manager and he did not feel at this time it would make sense to hire a third troubleman and be beneficial to the RMLD. Discussion ensued.

*Meter Department*

Costs in the Meter Department are up \$6,000 for the year. Costs are fairly flat.

*Station Department*

Page 19-Station Supervisor-the difference in last year and this year is due to the capital/operating split, and time spent at Gaw Substation.

Station Supplies was reduced to \$7,500 from \$17,000 in FY09 due to FY09 actuals.

Labor Regular was reduced by one person retiring, and the position not being filled.

Mr. Vale asked if the same cost-benefit analysis had been done in the station as with the troubleman.

Mr. Sullivan replied, "correct."

Mr. Carakatsane asked about the reduction in Transformer Maintenance.

Mr. Sullivan explained that a reevaluation was done and taking into consideration the three new transformers going into Gaw, the budget amount was lowered.

Mr. Hahn asked if the net capitalized labor in the FY09/FY10 budget is up or down?

Mr. Fournier did not have FY09 comparison with him, and would be happy to provide the information at a later date, but believed it would be down.

Discussion ensued.

**General Manager Division**

*General Manager*

Mr. Cameron stated that his budget is about \$2900 more than last year and the increase is all in Labor.

*Human Resources*

Ms. Antonio stated that the overall budget will be a decrease of a little less than 1% for FY10. Outside services is going up \$5,100 based on some upcoming arbitrations and union negotiations beginning in the fall for all three unions.

Ms. Sopchak asked about the arbitrations.

Ms. Antonio replied that they involved two employees.

Mr. Carakatsane stated that any detail regarding arbitrations would need to be done in an executive session.

Training was decreased and hopefully HR will receive a grant for some training; Miscellaneous General-received a discount on the employee assistance program and estimated four employee openings.

*Community Relations*

Ms. Antonio stated that this budget is projected to be 9.1% lower than last year. The brochure project and Halloween party will not be done this year.

Mr. Carakatsane asked just in general the party won't be done or because of less interest?

Mr. Cameron responded that it was just one of the items cut.

Ms. Antonio stated that the budget last year was \$9,000 and about \$7,000 was spent. She noted that the T-Shirt contest is a big event, and that they are looking for some lower cost things to do. Calendars will still be done.

Mr. Vale asked about the Culver Website.

Ms. Antonio stated that it's the license for the kid's section of the RMLD Website, and noted the new website is almost complete.

*CAB*

Mr. Fournier stated that less than \$4,000 has been spent in the past three years. \$15,000 is mandated by the Twenty-Year Agreement.

*Board*

No discussion.

*Facilities*

Mr. Cameron reported that Building Maintenance is down about \$30,000; Supplies on Page 4 are down about \$10,000.

General Benefits-The bulk of the increase in this is in Employees Pensions and Benefits and the property insurance went up about \$14,000 and most everything else is levelized.

Discussion ensued.

Transportation-Mr. Cameron referred to Page 11 that lists the transportation expenses. Mr. Fournier explained that on Page 12 it shows how the Department figures the costs and then allocate the costs out.

Mr. Carakatsane asked how many vehicles do employees take home.

Mr. Cameron responded seven.

Mr. Norton made the following motion seconded by Mr. Vale:

MOVE that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners the acceptance of the FY10 Operating Budget based on a net income amount of \$1,607,693. Any significant changes are to be submitted to the CAB for review and recommendation.

**Motion carried unanimously: 5:0:0.**

**3. Other Items for Discussion**

None.

**4. Schedule Next Meeting**

To be determined

**5. Adjournment**

Mr. Norton made a motion seconded by Ms. Sopchak to adjourn Regular Session at 8:33 P.M.

**Motion carried: 5:0:0.**

Respectfully submitted,

/pmo

\_\_\_\_\_  
John Norton, Secretary

Minutes approved on: \_\_\_\_\_

4/14/2009  
4:39 PM

RMLD  
2010 OPERATING BUDGET - DRAFT 1  
4/14/09

Total Operating Expenses	84,689,730		
Total Miscellaneous Deductions	<u>2,257,644</u>	86,947,374	100.00%
Less Fixed Costs:			
Purchased Power Base	(26,794,251)		
Purchased Power Fuel	(42,458,883)		
Depreciation Expense	(3,390,000)		
Town Payments	(1,254,000)		
Total Miscellaneous Deductions	<u>(2,257,644)</u>	<u>(76,154,778)</u>	<u>-87.59%</u>
Sub-total		10,792,596	12.41%
Less Semi Variable Costs:			
Labor	(4,720,020)		
Overtime	(484,949)		
Training/Tuition	(159,700)		
Professional Services	(398,500)		
Property Insurance	(443,150)		
Employee Pension/ Benefits	(1,093,185)		
Rent Expense	(212,000)		
Bad Debt Expense	<u>(150,000)</u>	<u>(7,661,504)</u>	<u>-8.81%</u>
Total*		<u><u>3,131,092</u></u>	<u><u>3.60%</u></u>

\* Detail of total:

Vehicle	(all 933)	265,637
MIS Mtn	(BD P.10)	116,100
Office Supplies	(all 921)	264,600
Departmental	(all 105/109)	1,362,192
Line - OH Mtn 593	(E&O P.11)	83,000
Line - Tree 593	(E&O P.13)	248,598
Station - Xform 595	(E&O P.20)	93,500
RMLB/CAB	(GM P.10-13)	16,213
Gen Ben - 925	(FAC P.7)	60,039
Conservation Program	(ES P.4)	621,213 -
Total		<u><u>3,131,092</u></u>

**CITIZENS' ADVISORY BOARD  
MEETING MINUTES  
Regular Session**

TIME: 6:30 P.M.  
 DATE: Monday, June 15, 2009  
 PLACE: Wilmington Town Hall, Room 4, 121 Glen Road, Wilmington  
 PRESENT: CAB: A. Carakatsane, Chairman, (Lynnfield), J. Norton, Secretary, (North Reading),  
 Q. Vale (Wilmington), T. Sopchak, (Reading), G. Hooper (Wilmington)  
 RMLD Board: Chair Hahn  
 RMLD Staff: V. Cameron, P. O'Leary

**1. Call Meeting to Order – A. Carakatsane**

Chairman Carakatsane called the meeting to order at 6:35 P.M.

**2. Minutes of Meetings – A. Carakatsane**

February 12, 2009

Mr. Norton made a motion seconded by Mr. Vale to approve the Regular Session Minutes of February 12, 2009, as written.

**Motion carried 5:0:0.**

**3. Power Supply Update – V. Cameron**

Mr. Cameron informed the CAB that the Energy Services Division (ESD) went out to bid for monthly amounts for 2010 to 2013, and the amounts were based on what the CAB had seen as far as the layering and laddering approach. Mr. Cameron stated that four companies submitted bids. He explained that prior to going out for bid, contracts are negotiated with the parties. Macquarie Cook Energy, a subsidiary of Macquarie Bank, was the lowest bid over four years received. The RMLD signed a contract with Macquarie Cook.

Mr. Cameron said that the Watson Unit in Braintree is being commissioned now on oil and on gas to make sure all the systems work, and the ISO has to determine what the rating of the unit will be. It appears that in early July, the RMLD will get capacity credit for the unit.

Mr. Cameron stated that the Taunton Municipal Light Plant is moving very slowly with its agreements. RMLD is looking at a possible entitlement only.

Regarding the Middleton Generating Peaking Plant, Mr. Cameron said that it is in its early stages. A meeting was held in February 2008 to determine what the interest was among municipalities. There was interest up to 140MW. A follow-up meeting was held in May 2009 and most of the same municipalities that came kept the same level of interest.

Discussion ensued.

Mr. Cameron continued with the update and told the CAB that ESD has made two contacts regarding the possibility of wind power.

Discussion ensued.

**4. Green Power Communities Act – V. Cameron**

Mr. Cameron attended a meeting regarding this Act. He stated that there are five prongs that a community has to meet to become a Green Community: permitting, siting (co-generation), benchmarking the carbon footprint, purchasing hybrid vehicles where the application permits, and one more. Mr. Cameron added that some items would have a financial impact. He sent seven questions to Mark Sylvia, who works for the Department of Energy Resources and is the director of the Green Communities Act. One of the questions he asked was that the RMLD services four towns, and if one town becomes a Green Community, do the other

three have to lock in. It is Mr. Cameron's understanding that if you become a Green Community, you have to support the Massachusetts Renewable Energy Trust, which is ½ mil (.005 cents) per kWh. He also asked what is the cost obligation for the Town of Reading and the RMLD. In the first sentence of the response it said that there were no cost obligations, and then in the last sentence it said that as it relates to charges, utilities and municipal light plants must adopt the renewable energy charge in the Massachusetts Renewable Energy Trust to be eligible to participate. Regarding the four town question, the response said that the RMLD cannot adopt a renewable energy charge for individual municipalities within a service area. The RMLD must adopt it for all municipalities. Mr. Cameron does not feel this is right. He does not see how he could charge the other communities that renewable energy trust charge if only Reading decides to become a Green Community. He intends to go back to Mr. Sylvia.

Mr. Vale asked how far along is Reading?

Mr. Cameron stated that the benchmarking is done and the Town is committed to the hybrid vehicles. He does not know about the permitting and siting.

Discussion ensued.

Mr. Cameron said that the Town of Reading did an energy conservation program for all of their facilities, and they are looking at doing retrofits that will cost about \$5 million. They are looking at getting some money from the stimulus, National Grid on the gas side, and they came to the RMLD. The RMLD is looking at a pilot municipal program that could be offered to all four service communities. The RMLD would give money to the municipal if the municipal had a similar program to Reading's where they were looking at all the facilities. For every kW demand that they can prove they got off the peak demand, the RMD would give them \$1,000 based on the Braintree Electric Light Department's peaking plant. What the RMLD would be doing is looking at the municipal like a generator minus kW's, so instead of paying to get a kW off the system on a long term basis and paying carrying charges, the RMLD is saying to someone taking kW's off the system, here's \$1,000 and that makes us indifferent. He believes a program such as this would encourage the towns to come up with some type of a program. He added that Jared Carpenter, the energy efficiency manager, Michele Benson, and Joe Bilicki are a great source of expertise in this area. He hopes the other three towns will become involved. \$50,000 is a cap for each town. The ESD identified about 79 kW's that the Town of Reading could remove from the system with lighting, HVAC retrofits, LED lighting for traffic lights, and some other changes.

Discussion ensued.

##### **5. Financials Update – R. Fournier**

Mr. Cameron gave the following update:

- Net Income for first 10 months - \$3.6 Million - ahead of budget by about \$235,000
- Base Revenues – ahead of budget by approximately \$900,000
- Purchase Power Expenses - \$1.8 Million
- O&M Expenses – over budget by about \$25,000
- Depreciation and Town Payments – on schedule
- Capital and Operating FY10 budgets approved by the RMLD Board
- Fuel charge is at \$.059 per kWh (hopefully it will stay at this for the summer)

Mr. Carakatsane asked for an update on the Gaw Substation Project.

Mr. Cameron provided the following:

- All three transformers are here.
- Contractor has been hired – Fischbach & Moore for \$1.0 million; one contractor was lower but the RMLD felt their testing company was not qualified. The bid was protested, and ruled in RMLD's favor.
- The station manager left to go to another municipal; Engineering will handle the project and it should not be delayed.
- Total cost of the project is \$8 Million and as of April about \$5 million had been spent.
- Bus work inside is being re-configured.



- As the foundations are set, the transformers will be placed.
- There will be collection areas for oil containment

Mr. Carakatsane asked where the Department is regarding the other capital projects?

Mr. Cameron responded that about 20% of the Step Down Areas in Reading will be carried over; the Station 4 Getaways, 96% will be carried over; Salem Street, Wilmington 60%; Reading Center, 10% on the underground and 10% on Haven Street.

#### **6. Deferred Fuel Cash Reserve (DFCR) – V. Cameron**

Mr. Cameron described the DFCR as the fund that is used to balance the fuel charge every month. If more is charged than what the fuel charge is, then money is put into the fund. If expenses are not met, then money comes out of the fund. He said that the Department would not adjust the fuel charge more than \$.005 either way in any month. The DFCR was set at a target range of \$1.75 million a few years ago, however, the prices have gone up and last July the fund went negative, because the Department could not adjust the fuel charge high enough or quick enough to meet expenses. Ms. Parenteau and Mr. Seldon came up with an analysis of the DFCR looking at the trends, kWh sales, sensitivity, and statistics concluding that the Department would like to adjust the range of the DFCR from \$1.75 million to \$2.5 - \$2.9 million. It was submitted to the Power and Rate Committee who voted 2:1 in favor of the adjustment. Mr. Cameron stated that he is bringing it to the CAB for information, because there is no evidence that the CAB had to make a decision regarding the DFCR levels before. Mr. Cameron deferred to the CAB.

Mr. Carakatsane in his opinion thought a recommendation from the CAB is needed in that it impacts rates.

Discussion ensued.

Mr. Vale made the following motion seconded by Mr. Norton:

MOVE that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners that they establish a reserve target of a range of \$2.5 to \$2.9 million for the Deferred Fuel Cash Reserve Fund consistent with the same recommendation of the RMLD Board committee, the General Manager, and the staff.

Discussion-Ms. Sopchak commented that she has recently been reading a book about oil that is very scary and enlightening, and that we will only see more demand for a diminishing supply and for this reason she would vote for this.

**Motion carried unanimously 5:0:0.**

#### **7. Twenty-Year Agreement Amendment – V. Cameron**

Mr. Cameron explained the Twenty-Year Agreement to the new CAB Members. He said that part (the attachment) of the Agreement has to do with the amount of power supply the RMLD can go out for without the approval of the CAB. For the RMLD to do a deal, it has to be under 10 MWs, under less than six months duration, and does not contain full entitlements. In today's market, this is not productive. He noted that this part of the Agreement is not in the legislation so the Department would like to come up with some parameters that have to do with a percentage of the objective capability.

Mr. Carakatsane stated that the Board adopted a policy that mirrored the Agreement, and it is probably time to adjust it upward.

Note: Ms. O'Leary will scan the Twenty-Year Agreement for the members.

Mr. Cameron asked that the CAB members to look at the Agreement and particularly the Attachment. He thought the timing may be good since the renewal of the Twenty-Year Agreement is coming up.

Mr. Carakatsane had drafted an Amendment with Ms. Parenteau and thought that could be sent out electronically.

Mr. Norton thought that it would be good to go to the Selectmen and/or Town Meeting with both the amendment and the renewal.

**8. Other Items for Discussion**

**a. 2009 NEPPA Annual Conference – September 20-23**

Ms. O'Leary described the Conference to the new members and asked the members to let her know who is interested in attending. She added that the expense is deducted from the CAB's budget. Mr. Carakatsane went over the itinerary and encouraged the members to attend. Mr. Carakatsane, Mr. Vale, Ms. Sopchak, and Mr. Hooper are interested in attending.

Mr. Hooper made the following motion seconded by Mr. Norton:

MOVE that five members of the CAB be authorized to attend the 2009 NEPPA Annual Conference.  
**Motion carried unanimously 5:0:0.**

**9. Schedule Next Meeting**

The CAB meetings will be held on the second Monday of every other month beginning on September 14, 2009. If additional meetings are required, they will be scheduled.

**10. Executive Session**

Mr. Norton made the following motion at 8:11 P.M. seconded by Mr. Vale:

Move that the CAB go into Executive Session based on Chapter 164, Section 47D, exemption from public records and open meeting requirements in certain instances, to approve minutes, and return to Regular Session for the sole purpose of adjournment.

**Motion carried by a poll of the board: 5:0:0 – Mr. Hooper – Aye; Ms. Sopchak – Aye; Mr. Carakatsane – Aye; Mr. Norton – Aye; Mr. Vale – Aye.**

**11. Adjournment**

Mr. Norton made a motion seconded by Mr. Hooper to adjourn Regular Session at 8:20 P.M.

**Motion carried: 5:0:0.**

Respectfully submitted,

/pmo

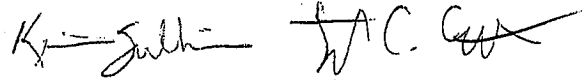
\_\_\_\_\_  
John Norton, Secretary  
Minutes approved on: \_\_\_\_\_

## READING MUNICIPAL LIGHT DEPARTMENT

To: Vinnie Cameron

August 17, 2009

From: Kevin Sullivan, Jared Carpenter



Subject: Smart Grid at the RMLD

## 1.0 Summary

Smart Grid in the purest form is a general term referring to the individual components used for electric delivery and the ability of those components to communicate and operate interdependently. The term has developed into a buzz-word championed by the Federal Government in its quest for a more efficient means of generating and delivering power to consumers. The Federal Government is counting on the utility community at large to pioneer the Smart Grid effort. Many manufacturers have been marketing products designed to give utilities advancements in the Smart Grid product design.

Presently Smart Grid has no standards, no guidelines, and no protocols. The National Institute for Standards and Technology is working to develop standards for manufacturers to adhere to. The market offers an endless number of Advanced Metering Infrastructure (AMI) type meters that can provide voltage indication, time of use information, remote disconnection and pre-planned remote reads back to the utility's mainframe equipment. Each utility has been watching the myriad of options, deciding when the time is right and at what level this new technology should be embraced.

So too, the RMLD has been watching Smart Grid available technologies unfold. On the reliability side of the equation, Smart Grid system protection devices can isolate outages and mitigate the effect of an outage to a minimum amount of customers.

Also, Smart Grid metering can provide an instantaneous, electronic notification of customer outages and verification of re-energization, automatic disconnection and customer load profiling. Customers may also take advantage of Smart Grid instrumentation that enables access to information so that they can cut back on usage during periods of high electric usage and control their costs.

## 2.0 What Smart Grid reliability applications does the RMLD have presently?

The RMLD had begun its quest for products that offered advanced technologies long before the term 'Smart Grid' had been coined. The RMLD has fault detectors strategically placed on the sub-transmission lines that provide power to Wildwood Substation and a few of our distribution feeders. Fault detectors provide instant indication of excessive current flow, expediting the fault locating process. The installation of additional fault detectors is planned for FY'10.

Reclosers and auto-transfer voltage sensing equipment have been installed in areas that serve our largest commercial load to provide instantaneous isolation and transfer to a back-up feeder.

Sectionalizing fuses provide individual phase isolation to minimize complete circuit interruption, maintaining service to customers upstream of the fault.

The RMLD fiber-optic loop, which encircles the territory, provides communication from all substations back to the Control Center for Supervisory Control and Data Acquisition (SCADA) of circuit breakers, voltage and loading.

## 3.0 What Smart Grid energy conservation applications does the RMLD presently have in place?

The RMLD has added new programs to help with our Smart Grid endeavors. The Smart Grid is a very open idea at this point. However the goal of energy conservation through efficiency will always be a staple focus.

The existing and new programs that we have implemented are residential renewable energy rebate programs, which gives rebates for ENERGY STAR rated appliances.

The RMLD has a Time of Use electric rate, which through the use of time of use meters help customers shape their energy usage. The Time of Use rate is available for both the residential and commercial customers.

The Commercial Energy Initiative program is set up to help encourage and rebate customers who either install a renewable energy technology or set up a comprehensive plan to reduce peak kW demand. This program enables all commercial customers to take great steps forward in energy savings no matter how in-depth they are prepared to go.

#### **4.0 What Smart Grid reliability applications should the RMLD look to in the future?**

Reliability synergies that would enhance the RMLD are systems that work together to provide a technological network and products that offer a lengthened lifecycle.

The RMLD is exploring the use of remote operation of switching on the distribution system, which will allow the RMLD to mitigate the effects of systems outage and give the RMLD more flexibility in system operations, streamline maintenance, and will increase reliability.

#### **5.0 What Smart Grid energy conservation applications should the RMLD look to in the future?**

New technologies are constantly arising to assist in energy conservation. Understanding what will bring the greatest benefit in the most cost effective manner is difficult. The RMLD works together as a team to monitor new technologies and recommend them to our customers as needed.

One of the technologies we would like to encourage and perhaps rebate are residential energy monitors with in home displays along with time of use display. This technology will be viewable via the web and eventually provide control of lighting, thermostats, and other technologies in the home. This same technology is applicable to help with energy savings, security, and other important aspects of business for our smaller to mid-sized commercial customers.

Some of the newest technologies available for use that the RMLD would like to incorporate into customer use are magnetic bearing compressors, building automation systems, absorption chillers, Electronically Commutated Motors (ECM), natural light providing fixtures, magnetic induction lighting, and other energy efficiency and environmentally friendly measures.

The goal of our rebates are not only to provide financial help to encourage installation of efficient equipment but to encourage the growth of local companies and all technologies that provide the least harm to our worldwide environment.

## 6.0 Summary

As Smart Grid technology grows and becomes more focused, the RMLD will be prepared due to the planning and implementation steps that have already been put in place. The most important part of the Smart Grid is planning, forward thinking, and action. All of these steps and our knowledge are constantly growing as we search for additional options.

Our reliability and communication has consistently grown and is well beyond the national average. Customers often tell us our service and technology have gotten better and better. Our energy conservation goals are always being raised and we work daily with our customers meeting their needs to reduce their energy consumption. The RMLD is seeing newly interested solar customers on a weekly basis, preparing to start metering pilot test programs, and is noticing less reliability issues. Although there is no way to fully predict what the Smart Grid final product will be, we can all be certain that the RMLD is well out of the starting gate and has a firm grasp on what it will take to make our service meet all the needs of our customers.

c: Citizen's Advisory Board  
Jane Parenteau

# Reading Municipal Light Department

## Understanding the Smart Grid

8/19/2009

# Smart Grid Definition

A **Smart Grid** delivers electricity to consumers using technology to save energy, reduce cost and increase reliability and efficiency. Smart Grid is about communications between devices and control of systems on the grid.



# 1.0 Smart Grid Summary

- Electric meters provide:
  - Real-time consumption information
  - Automatic remote reads
  - Automatic notification of service failure
- Distribution Automation provides:
  - Increased reliability
  - Fault detection and isolation
  - Minimal customer interruption to situations affecting the distribution system

## 2.0 Existing Smart Grid Reliability Equipment

- Reliability
  - Fault detectors
  - Sectionalizing fuses
  - Reclosers and sectionalizers
  - Voltage-sensing auto transfer equipment
  - Supervisory Control and Data Acquisition

## 2.0 Existing Smart Grid Reliability Applications

- Fault detectors on 35kV sub-transmission lines and select feeders
- Sectionalizing fuses to isolate overhead phases
- Reclosers and sectionalizers isolate sections of circuits
- Voltage sensing auto-transfer switches minimize outage time by transferring to back-up feeder
- SCADA control and indication for all substations

## 3.0 Existing Smart Grid Energy Conservation Applications

- ENERGY STAR appliance rebate
- Time of Use electric rate and meters
- Renewable Energy Rebate program
- Commercial Energy Initiative program

## 4.0 Future Reliability Applications

- Radio-operated distribution switches
  - Reclosers
  - Voltage-sensing auto-transfer equipment
  - Real-time load measuring devices
- Systems communication between each meter, the Billing Department and Outage Management System

# 5.0 Future Smart Grid Energy Conservation Applications

## New high efficiency equipment

- Magnetic bearing compressors
- Natural light fixtures
- Building and motor energy management controls
- Electric vehicles
- Working with gas heating programs to provide comprehensive energy saving solutions
- And more as technology develops!

## 6.0 The RMLD Understands the Smart Grid

- The Smart Grid will continue to grow
- Our towns' needs are changing
- Education
- Communication
- Planning
- Action