



Town of Reading Meeting Minutes

2016-09-22 LAG

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-11-17

Time: 6:00 PM

Building:

Location:

Address:

Session: Open Session

Purpose: General Business

Version:

Attendees: **Members - Present:**

Mr. Jason Small, Chair (North Reading); Mr. Vivek Soni, Vice Chair (Reading); Mr. Dennis Kelley (Wilmington)

Members - Not Present:

Mr. George Hooper, Secretary (Wilmington); Lynnfield Position Vacant

Others Present:

Staff: Ms. Coleen O'Brien, Mr. Brian Hatch, Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Mr. Gregory Phipps, Ms. Kathleen Rybak

Mr. Philip Pacino, RMLD Board of Commissioners

Mr. Christopher Haley, Liaison, Reading Select Board

Public: Mr. David Zeek, Reading

Minutes Respectfully Submitted By: Mr. Jason Small, Chair

Jason Small
Jason Small (Feb 28, 2022 14:30 EST)

Topics of Discussion:

PER GOVERNOR BAKER'S MARCH 10, 2020, ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW, G.L. c. 30A, §20 AND THE JUNE 16, 2021, ACT EXTENDING CERTAIN COVID-19 MEASURES, THIS MEETING WAS HELD REMOTELY VIA ZOOM.

1. Call Meeting to Order – J. Small, Chair

Chair Small called the meeting of the Citizens' Advisory Board to order at 6:00 PM and noted the meeting was being audio recorded. Chair Small asked all members present to state their names.

2. Approval of Minutes – J. Small, Chair

Materials: Draft Minutes from December 16, 2020, and March 18, 2021. Note: July 19, 2021, Executive Session minutes were not included with packet, but distributed in advance to all CAB members.

Mr. Kelley made a **motion** that the Citizens' Advisory Board approve the minutes of the December 16, 2020, and March 18, 2021, meetings as written, seconded by Mr. Soni.

Motion carried 3:0:1 (3 in favor, 0 opposed, 1 absent) by roll call vote of those present: Mr. Soni, aye; Mr. Kelley, aye; Chair Small, aye. Mr. Hooper was not present.

Mr. Soni made a **motion** that the Citizens' Advisory Board approve the Executive Session minutes of the July 19, 2021, meeting as written, seconded by Mr. Kelley.

Motion carried 3:0:1 (3 in favor, 0 opposed, 1 absent) by roll call vote of those present: Mr. Soni, aye; Mr. Kelley, aye; Chair Small, aye. Mr. Hooper was not present.

3. General Manager's Update – C. O'Brien, General Manager

Ms. O'Brien provided an update on various community activities: The Virtual Air-Source Heat-Pump Owners' Panel was held on November 9th and was well attended. The recording of this said panel session is posted on the RMLD website and will be shared with the community cable stations. The second Virtual EV Workshop is tentatively scheduled for February 1. The 2022 Historical Calendar will be available mid-December. The Elementary Art Contest is ongoing, and the awards ceremony will be in February (in person or virtual to be determined).

Ms. O'Brien reported that press releases related to rates, the 2022 Budget, and a wind solicitation bid are scheduled for release pending votes by the Board of Commissioners at their meeting later in the evening. On November 9th, Ms. O'Brien, Board of Commissioners Chair Coulter and Mr. Phipps discussed the Climate Law and the proposed rates at the Reading Select Board meeting.

Ms. O'Brien reported that the EV (location) license for the Town of Reading was granted. Ms. O'Brien reviewed some of the terms of the license agreement, which address payback of grant money and restoration of the surface should the equipment be removed. The Wilmington license is still pending. There is a conflict at the attorney level since RMLD and the Town of Wilmington both use KP Law. If the Town of Wilmington would rather have special town counsel, RMLD would support covering the review to move the grant forward with the construction bid.

Design and technology procurement for equipment to accommodate hybrid meetings, training, and conferences in the AV room is in progress. Staff is hoping to get that completed the first of the year.

Ms. O'Brien reported that she had the opportunity to meet with the TUE (Joint Committee on Telecommunications, Utilities, and Energy) Chair Roy, as well as Leader Jones regarding Green Communities. They discussed the history of Green Communities and challenges faced by MLPs, in particular those that serve multiple towns. Staff is working hard to get that legislation moved so that each of the four towns (served by RMLD) can enter into Green Communities individually.

4. Financial Update – W. Markiewicz, Director of Business and Finance

Materials: Financial Review for Period Ending September 30, 2021 (presentation slides); Financial Statements 9/30/2021.

Ms. Markiewicz began the presentation with review of *Business, Finance Highlights* (Slide 2), which outlines recent accomplishments as well as some upcoming payments. Moving to Slide 3 – *Cash Balances as of September 30, 2021*, Ms. Markiewicz noted all cash is restricted except the Cash Operating Fund, which represents what it takes to operate the business day in and day out. The Cash Operating Fund equates to approximately 2.5 months of RMLD's current operating expenses. *Accounts Receivables Aging by Month* (Slide 4) shows real progress in 2021. Customer Service and Credit and Collections are doing a great job working with customers to work out payment plans and work through hardships. Receivables are coming in strong just ahead of the moratorium. *Sick Leave Buy-Back Liability* (Slide 5) illustrates RMLD's progress to reduce this liability through our (labor) contracts. Ms. Markiewicz noted this liability calculation is done twice yearly. *Depreciation Reserve as Compared to Capital Spending* (Slide 6) shows the depreciation reserve (in green), which can only be used for capital spending. Capital Spending (red) represents the amount of money necessary for the RMLD to provide a safe and reliable infrastructure. This shows that the RMLD continuously spends more than what is in the reserve, which is why it is very important that we transfer funds in order to get the infrastructure where it needs to be. The *Operating and Maintenance Expenses* (Slide 7) shows that the RMLD is coming in under budget again this year. Staff budget what is expected to be done, but with COVID, it has been challenging to stay where we want to be with construction and staffing.

Ms. O'Brien reminded the CAB that the RMLD can make up to 8%, but staff is always balancing keeping rates low, with what RMLD is allowed to make, the commitments for the town payments, and capital construction transfers. RMLD typically targets 6 to 6.5% for the rate of return. Per the DPU, utilities must incorporate a minimum of 3% depreciation to improve infrastructure. Ms. O'Brien noted there was a study done a few years ago, and for a system the size of RMLD (in four towns), \$8m per year is the right amount that should be incorporated for capital outlay. Ms. O'Brien thanked Ms. Markiewicz for her presentation.

Mr. Soni asked for additional explanation on the sick leave liability buy-back. Ms. Markiewicz responded that throughout the years, there has been sick buy-back for each employee depending on when the employee started, when the sick buy-back program started, and when the contract changed. RMLD had an unlimited sick time buy-back (eligible for payout when the employee leaves RMLD); that was changed to 720 hours, then 480 hours, and now to 240 hours (or 30 days) limit of sick time buy-back (all contracts) for those not grandfathered under older contracts. The General Manager is not eligible for sick buy-back.

Mr. Soni noted General and Administrative Expenses are down quite a bit and Operating and Maintenance Expenses are up. The sense is that the administrative and general salaries are down significantly and below budget (compared year-to-year actual, and also with budget). Ms. Markiewicz responded that RMLD is seeing some turnover due to retirements and has been challenged with recruitment for staff and talent needed. Mr. Soni asked how these open positions are impacting the organization? Ms. O'Brien noted the current open opportunities are posted on the RMLD website. Ms. O'Brien spoke about the unique nature of the positions at RMLD and the challenges in succession planning and recruiting for these positions, particularly with the COVID impact and within a unionized environment.

5. IRD Report – G. Phipps, Director of Integrated Resources
Materials: IRD Report – Climate Feedback, Power Supply (presentation slides)

Mr. Phipps began the Integrated Resources Report with **Power Supply** (Slide 5). Mr. Phipps reminded the group that the RMLD focus has been the acquisition of non-carbon power supplies. The Climate Law has had a significant impact on how the RMLD looks at and supports its load growth. Additionally, Policy 30 Rev 1. requires a 50% non-carbon mandate by 2030. RMLD is seeking approval to add a larger (solar) array at a project that has already been approved. Availability of additional land at the Seabrook site allows the RMLD to add ~4 megawatts AC power to the project. Combined, the total power will be ~16,000 megawatt hours per year or ~9 megawatts AC (100% of the output of the two interconnected arrays). This would represent ~2% of RMLD's energy portfolio. This project is a set-price schedule, slightly below the current solar-only portfolio. Mr. Phipps reminded the CAB that the non-carbon (including solar) part of the RMLD portfolio typically averages ~50% higher than the total portfolio. The other part of the portfolio that tends to be less expensive is carbon (or mixed fuel) sources energy. For this particular solar array, RMLD will also purchase the associated (Class 1) certificates, which are non-carbon and renewable. This site is scheduled to be commissioned in Q4 of 2023. Panels continue to increase in efficiency, so when NextEra actually purchases the panels, the hope is that the efficiency will be higher; this will allow more output, which is why the motion requests 12 megawatts versus the nine megawatts presented. After a brief discussion regarding the project, Chair Small stated he would entertain a motion.

Mr. Soni made a **motion** that the Citizens' Advisory Board recommend that the Board of Commissioners vote to accept the General Manager's recommendation to modify a power supply contract with NextEra for energy, including associated certificates, to increase the size of the previously approved solar array from up to 5 megawatts to up to 12 megawatts for a solar PV system at the Seabrook nuclear facility site, contingent on appropriate environmental justice due diligence, seconded by Mr. Kelley. **Motion**

carried 3:0:1 (3 in favor, 0 opposed, 1 absent) by roll call vote of those present: Mr. Soni, aye; Mr. Kelley, aye; Chair Small, aye. Mr. Hooper was not present.

Mr. Phipps then presented **Climate Feedback** (Slides 3 and 4) with a review of the MCAN 2021 Report highlights. The entire MCAN report is posted online at Massachusetts Climate Action Network (https://www.massclimateaction.org/2021_mlp_scorecard). The Municipal Light Plant (MLP) Scores on Slide 3 shows scores for the top 21 (including RMLD) of the 41 MLPs. Mr. Phipps reviewed the four categories used to rank the MLPs. RMLD received strong numbers (39 total of 50) for Efficiency, Engagement and Policy. Mr. Phipps then reviewed Slide 4, which provides greater detail on RMLD's score (15 of 50) for Energy Transition. Mr. Phipps noted the 2021 report focuses on RMLD's 2019 portfolio, which was assembled roughly between 2012 and 2017. MCAN tends to focus only on Class 1 RECs and their criteria is renewable, an outdated metric, while RMLD is focused on non-carbon as the new metric per the 2021 Climate Law. There were ten MCAN recommendations, which were fairly generalized (across 40 MLPs). Some of the MCAN recommendations are things that have already been put in place at RMLD, i.e., renewable choice. Mr. Phipps noted the RMLD looks at the MCAN Report, but most of the MCAN recommendations are too far in the past and are not useful to RMLD in planning energy four years forward and beyond. RMLD's goal is to fulfill the intent of the 2021 Climate Law. Discussion ensued around RMLD's overall ranking and recommendations for improvement.

6. Scheduling – J. Small, Chair

- December CAB Meeting: Scheduled for December 20, 6:00 PM.
- Coverage for December Commissioners Meeting: Chair Small will cover.

7. Adjournment – J. Small, Chair

Chair Small asked if there were any comments from the public.

Mr. Zeek thanked Mr. Phipps for his presentation and noted there is a lot of information in the MCAN report and that the CAB and RMLD may benefit from reviewing the scoring and recommendations in greater detail at a future meeting.

Mr. Soni made a **motion** that the Citizens' Advisory Board adjourn, seconded by Mr. Kelley. **Motion carried 3:0:1** (3 in favor, 0 opposed, 1 absent) by roll call vote of those present: Mr. Soni, aye; Mr. Kelley, aye; Chair Small, aye. Mr. Hooper was not present.

The CAB adjourned at 6:46 PM.

As approved on February 24, 2022.