

**READING MUNICIPAL LIGHT DEPARTMENT
CITIZENS' ADVISORY BOARD (CAB) MEETING
JOINT MEETING WITH
RMLD BOARD OF COMMISSIONERS**

**MINUTES
Regular Session**

Time: 7:00 P.M.
Date: Wednesday, April 10, 2013
Place: RMLD, 230 Ash Street, Reading, MA, Winfred Spurr/Audio Visual Room

CAB Members Present:

Mr. Tony Capobianco (Reading), Mr. George Hooper, Vice Chairman (Wilmington), Mr. David Nelson (Lynnfield), Mr. John Norton, Chairman (North Reading)

CAB Members Absent :

Mr. Thomas Ollila, Secretary (Wilmington)

RMLD Commissioner(s) Present:

Mr. Philip Pacino, Vice Chairman; Mr. Robert Soli, Mr. John Stempeck, Chairman; Mr. David Talbot

RMLD Staff Present:

Ms. Beth Ellen Antonio, Mr. Nick D'Alleva, Ms. Jeanne Foti, , Mr. Tom O'Connor, Ms. Jane Parenteau, Mr. David Polson, Mr. Peter Price, Ms. Kathleen Rybak, Mr. Kevin Sullivan, Mr. Mark Uvanni

1. Call Meeting to Order – J. Norton, Chairman

Chairman Norton called the meeting of the Citizens' Advisory Board to order at 7:11 p.m.

2. Fiscal Year 2014 (FY14) Capital Budget – K. Sullivan

Mr. Sullivan gave a brief overview of the proposed FY2014 Capital Budget which is at \$5.9 million, approximately 7% below the FY2013 Capital Budget of \$6.4 million. Mr. Sullivan introduced four managers who are not very familiar to the Board; Mr. Mark Uvanni, MIS Manager; Mr. Peter Price, Chief Engineer; Mr. Tom O'Connor, General Line Foreman; and Mr. Nick D'Alleva, Technical Services Station Manager. These managers presented much of what is included in the Capital Budget.

Ms. Foti noted that the Board of Commissioners meeting had not been called to order.

Mr. Van Magness pointed out that at the earlier meeting there was not an opportunity for public comment and asked if there would be an opportunity for public comment at this meeting.

Chairman Stempeck called the meeting of the RMLD Board of Commissioners to order at 7:14 pm.

Chairman Norton stated, by way of explanation, that the CAB will conduct its second half of the budget review (the Capital Budget) tonight. At the conclusion of that review, there will be a motion made to be passed onto the Light Board of Commissions for the bottom line, if that is agreed upon by the CAB. At that point, the CAB will conclude their portion of the meeting of which there will be no public input. It will be turned back over the Board of Light Commissions for their Agenda. Chairman Norton asked Mr. Sullivan to begin.

Mr. Talbot asked why we would not have public input. Chairman Norton stated that not during budget discussions, we do not have public input. Mr. Van Magness noted that his comment was not relevant to the CAB it was relative to the Municipal Light Board. He stated that he had served on the CAB and

doesn't ever recall having a public meeting where public comment was specifically excluded, if there was any. He further stated that it certainly takes away the reason for having a public meeting, but that is obviously at the will of the Chair. Chairman Norton asked Mr. Sullivan to begin the presentation. Mr. Sullivan introduced Mr. Mark Uvanni to present Project 27 (Hardware Upgrades) and Project 28 (Software Upgrades).

Mr. Uvanni reported that the MIS areas are pretty standard each year to accommodate necessary upgrades to hardware and software systems. Beginning with Project 27, Item 27a) is about the same amount each year and includes, but is not limited to upgrades and/or replacements for monitors, printers, etc. Item 27b) creates an additional virtualized cluster at the North Reading substation for redundancy, load balancing and disaster recovery. This will literally be a duplicate of the Ash Street cluster, which has worked well. Item 27c) is to replace the current digital phone system.

Mr. Talbot asked about the security protections in place. Mr. Uvanni provided a brief overview of the security measures in place.

Mr. Talbot asked about the procurement process. Mr. Sullivan responded that we go out to bid for purchases \$25,000-\$100,000 as per M.G.L. Chapter 30B.

Mr. Uvanni moved onto Project 28: Software and Licensing. Some of these items are directly related to the hardware projects. Item 28a) is for routine software purchases and user licenses. 28b) is in conjunction with item B on the hardware side. 28c) is for development work that we cannot do and which is contracted out to local developers. Item 28d) is a product that allows the cluster replication to take place. 28e) is the licensing fee for some antivirus and malware.

Chairman Norton asked if there were any questions.

Mr. Capobianco asked if we were going to deploy Windows 8 workstations. Mr. Uvanni replied that we have done some. However, it is a huge learning curve for users.

Mr. Soli asked if Item 28d) was new. Mr. Uvanni answered that this is the license for the new (second) cluster.

Mr. Soli asked about 28c). He had thought GIS was done. Mr. Uvanni stated that it is an ongoing process. We are trying to build the base map which would be the jumping off point for all other systems. We do have a GIS administrator who has made huge inroads on getting the base map and the electrical connectivity model built. Mr. Uvanni noted that this is a lot of work, but that we are going in the right direction.

Mr. Sullivan introduced Mr. Peter Price and Mr. Tom O'Connor to present System Upgrade Projects.

Mr. Price reviewed Project 1: 5W9 Reconductoring-Wildwood Street, Wilmington. This circuit has seen a lot of load growth and approximately a megawatt of additional load is anticipated over the next fiscal year with the addition of a Target and a mini-mall in that area. Mr. Hooper asked if this will double the current carrying capability into that area. Mr. Price answered, yes, on that circuit. Mr. Hooper noted that this is one of Wilmington's industrial areas and feels this upgrade makes perfect sense considering the growth in that area. Chairman Stempeck asked if it should be even higher than what we are projecting; will we need to go back there because of the growth? Mr. Price responded that we can only max out the circuits to 15 megawatts and this will bring that circuit up to 15 megawatts. If there are additional needs, we will need to bring in another circuit. We do have two other circuits up there, so there are things that we can do if we have to add a circuit.

Mr. Talbot noted that he had forwarded a memo (referencing this project). Mr. Talbot questioned if there is a strategy, when we know we are at a limit with a particular circuit, for how demand response in that particular area could be deployed to relieve what's happening. Mr. Talbot commented that when he

raised the issue, he was not aware that there was a Target and mini-mall going into that area, which changes the thinking. However, as a philosophy, has that ever happened; we see something cresting or peaking, and consider demand response or other programs in that particular area. Mr. Sullivan noted that it is not something that we have considered, but it may bode consideration in the future.

Mr. O'Connor presented Project 2: 4W4 Reconductoring – Wilmington. This feeder is approximately 40 years old. The upgrade will double the capacity that is there now and the materials will be more storm hardened and resistant to weather. It also gives us options if we need to move load in the summer. Mr. Hooper noted this is also a commercial area, and asked if this is proactive in terms of the aging areas. Mr. O'Connor confirmed, this is near the end of its life and the upgrade gives us a lot more options if we need to switch load. Every year at this time we look for vulnerability, develop our priority list, and address those areas.

Mr. Soli asked what happens to the old wire. Mr. O'Connor replied that it goes to a scrap dealer for recycling.

Mr. Price presented Project 3: Upgrading of Old Lynnfield Center URDs. This is a carryover for the Trog Hawley area. There is always a carryover in these projects; we start work in May and the work runs through the summer into September (the next fiscal year). Mr. Price went onto Project 4: Upgrading of Old Lynnfield Center URDs (Cook's Farm). This is the last of the three Lynnfield Center URD upgrade projects.

Mr. Price presented Project 5: 4W5 – 4W6 Tie. This project will create a tie to allow more flexibility to move load around in this area. We don't have that capability now which was not required until they started developing the Addison Wesley Property.

Mr. Price presented Item 6: URD Upgrades. In talking with Mr. Sullivan, we decided to create capital projects as a catch-all for URD projects (and Step-down Area Upgrades) rather than having them done under routine construction. This project will address some of the older underground subdivisions which need to be upgraded due to bad transformers, cable failure, or voltage complaints.

Mr. O'Connor presented Item 7: Step-down Area Upgrades. This is similar to the URD upgrades presented by Mr. Price. These are older overhead subdivisions. Some examples include Haverhill Street (Anthony and Peter Roads) area; in Lynnfield, the Essex Street area near Evans Drive; in Reading, the West and South Street areas.

Chairman Stempeck inquired, if by getting rid of the step-down transformers, do we eliminate a point of failure. Mr. Price confirmed; if we lose a step-down area, we could lose power to 300-400 customers.

Mr. Price reported that items 8, 9 and 10 will be presented by Mr. D'Alleva.

Mr. O'Connor presented Project 11: Station 4 Getaway Replacement 4W9. This is an underground getaway which runs out of Station 4. We will replace this underground cable which will increase capacity.

Mr. Soli asked if there is an outage associated with this work. Mr. O'Connor stated no, we switch the circuit to another circuit and then do the work.

Mr. Price presented Project 15: Station 5 – Getaway Replacements 5W9 and 5W10. The getaway is the underground cable coming out of the sub-station. The 5W9 upgrade goes hand-and-hand with Project 1 to get to a 15 megawatt rating. 5W10 is an old direct buried underground circuit; that breaker position is open and that cable has been taken out of service. This project will allow us to create an extra spare breaker position in the 5W10 position and create more flexibility. We already have conduit and a breaker; it is just a matter of pulling in the wire.

Mr. Price presented Project 16: Transformers. This item is budgeted annually to replenish transformer stock.

Chairman Stempeck questioned what the typical life is for a transformer; are there any manufacturers that produce a premium quality transformer that will last longer that you pay a little bit more for, but you get extra life out of them. Mr. Price replied that we have had old transformers that last forever; the only thing wrong with them is that they are rusting. There are new ones and they have lightning strikes that wipe them out.

Mr. Soli noted that three years ago, between Katrina and China, transformer prices skyrocketed; are the prices more reasonable now or are they still high. Mr. Price responded that due to metal (copper) costs and the cost of petroleum, prices are still high, but not as bad as it was then.

Mr. Price presented Project 22: Engineering Analysis Software and Data Conversion, which was approved with the FY13 budget. We got a late start on this project. The vendor is currently working on the data conversion, but this project will carry over into FY14.

Project 26: Communication Equipment. Mr. Price reported that as we connect to our fiber loop for better communications between our devices in the field and our SCADA systems, we will need certain equipment. This is a line item for that purpose.

Chairman Stempeck asked are there any limitations on the fiber optic cable in terms of capacity. Mr. Price answered that we have not run into it with the projects that we have been working on.

Mr. Talbot noted there is a lot of talk about regionalization of procurement; is that done by RMLD. Mr. Sullivan stated that it has been discussed, but in situations like this it would not work. We realize there are synergies out there that would make it more efficient to get together with other municipalities to make purchase in volume.

Mr. Sullivan introduced Mr. Nick D'Alleva, Technical Services Manager.

Mr. D'Alleva reviewed Project 30: Remote Terminal Unit Replacement – Station 3. Mr. D'Alleva noted that we recently had some issues with the SCADA system and we could not get the system back up and running until we found the missing piece of the puzzle that was broken. We realized that it would not work with the existing system.

Chairman Stempeck asked if there are more of these out at the stations that we should get rid of. Mr. D'Alleva responded that Station 4 has just been upgraded. Station 5 is in this year's (FY13) budget and we anticipate having it done. Station 5 is a lot smaller and not as involved as Station 3 or 4. This (Station 3) would be the last.

Mr. Sullivan presented Project 12: Service Installations – Commercial/Industrial. Last year's budgeted amount was \$63,074. We have not seen many upgraded or new services within FY13 due to the economic situation. However, we do need to budget this item in expectation of projects that will come up.

Mr. Sullivan continued with Project 13: Service Installations Residential Customers. Last year's budget was \$207,923. This item has been affected by the economy year of over year. As of the beginning of March, we are at about \$160,000-\$170,000 in expenditures.

Mr. Sullivan presented Project 14: Routine Construction. This is the project where we carved out our underground and step-down areas (as reported earlier) to have more specificity. Routine Construction had become a catch-all and many times we end up eclipsing what we have in the budget. We hope that the tact that we have taken will yield the way it should. Last year's budgeted amount for this item was just under a \$1 million.

Moving back to Project 8: Relay Replacement Project – Gaw Station, Mr. D’Alleva reported that this is a partial carryover. We have purchased all the relays, and the carryover is for labor related to the installation, testing and commissioning of the relays on approximately 16 circuits. There may be some incidental material in addition to what has been purchased.

Chairman Stempeck stated that he understands that these are solid state relays replacing electro-mechanical and questioned the reliability of solid state versus electro-mechanical. Mr. D’Alleva stated that they are newer technology. If you are going to replace one for one you are replacing a 30-year old relay with a 30-year old relay. The new relays are in a box, rather than individual relays. They are programmable with a lot more features that you can program into them and a lot more information that you can get out.

Mr. D’Alleva continued with Project 9: Gaw Station 34kv Potential Transformer Replacement. The current transformers are 30 plus years old and are oil filled. The new transformers would be solid dielectric; there would not be any oil in them. There are currently no leaks on these transformers, but they are old.

Mr. Hooper asked if the transformers contain PCBs. Mr. D’Alleva responded that it is unknown; there is no way of sampling them while they are in service. They contain very little oil, maybe two gallons at most. When they are taken down they will be tested prior to disposal.

Project 10: Station 3 – Replacement of Service Cutouts. This is a small equipment upgrade. We have not had any problems with these cutouts, but they are similar construction to the line cutouts that we have issues with in the field. We would like to be pro-active with these.

Mr. D’Alleva continued to Project 17 (A, C and D) related to the meter upgrade project. *Note: 17B will be completed by the end of FY13.* 17A is a line item for meters purchased for stock. Mr. Talbot asked how many TOU meters are currently in use. Mr. Sullivan answered that there are approximately 300 residential meters in place.

Mr. D’Alleva stated that 17C is a partial carryover. We anticipate that the commercial upgrade will not be completed by the end of this fiscal year. We will carry over some of the installations to larger customers that might need outages. 17D is the upgrade of the “500 Club.” This is a small number of meters, but they are the large revenue customers. This will be the last of the meter upgrades.

Mr. Soli asked Mr. Sullivan for an explanation of the “500 Club.” Mr. Sullivan stated the “500 Club” consists of customers over 500KW, or the larger users of power. There are currently approximately 65 “500 Club” customers.

Mr. Sullivan introduced Mr. David Polson, Facilities Manager. Mr. Polson presented Project 18: Purchase of New Pick-up Trucks. Chairman Stempeck asked if the 4x4 was all-wheel drive. Mr. Polson replied that the vehicles are two-wheel drive with four-wheel over-drive.

Mr. Talbot asked how the vehicles are purchased; is there a State program. Mr. Polson reported we look at the State contract and we go out to competitive bid as well to get the best pricing. Mr. Talbot asked for clarification on the State contract. Mr. Polson replied that the State has a number of dealers with whom they feel they have leveraged the best price; they do recommend though that you look around to confirm that you are getting the best price.

Project 19: Line Department Vehicles. Mr. Polson noted that this item is similar to a carry-over. The process to order and receive these vehicles is in excess of 240 days. We will be presenting to the Board at the end of the month the purchase of these two vehicles, which will be received in FY14. This project ensures that we have funds appropriated for the vehicles when they arrive.

Mr. Talbot noted that it is his understanding that much of the time the diesel engine is running to power the bucket truck equipment. He questioned if we have looked into hybrid bucket trucks. Mr. Polson stated that we have done a very exhaustive search, meeting with different vendors and users of the hybrid vehicles. There are different types of vehicles; some that are higher maintenance, some that are truly hybrid (they recharge the battery system through the engine.) The technology for these vehicles really isn't fully developed; the batteries don't live up to the advertised life and there are issues with the transmissions. These vehicles are more expensive and they really don't live up to expectations.

Mr. Hooper asked about the age of the trucks being replaced, and what we are doing with the vehicles we are replacing. Mr. Polson answered that the vehicles being replaced are approximately 10 years old. These vehicles will move back into the fleet as a spare or used less frequently. If these vehicles are the vehicles with the highest maintenance and are unreliable, we may move them off the fleet and surplus them. Mr. Hooper asked if they had any value that could be used for a trade-in or put out to auction for another community that may be looking for something. Mr. Polson noted that we have not traded vehicles, but we have tried to sell them; depending on the vehicle, we may offer them to one of the towns.

Mr. Polson reviewed Project 20: Build Covered Storage, which is a multi-year project. The building would be 80x120 feet and used for storage as we start to move out of the Barbas building. It would be located on the northerly portion of the lot by the garage and would provide approximately 9,600 square feet of storage space. It would be covered storage with sides, to keep our material out of the weather. Mr. Polson reported that this would cost approximately \$88.50 per square foot to build.

Chairman Stempeck asked if we have looked at alternatives; for inventory storage, this seems like a large number on a square footage basis. Chairman Stempeck noted that if it is for specialized needs and proximity he certainly understands, but stated that he had looked at storage space not nearly as large, but in the \$14-20 per square foot range. Mr. Polson responded that we would keep the materials that we use frequently in this building; we want to make sure we have something on the property so that the trucks can go in and out. Mr. Polson noted that the cost comparison was lease space versus cost to build. Chairman Stempeck noted that amortized over time, it would drop down. Mr. Polson confirmed and added that we would be getting out of leased space.

Mr. Capobianco asked how much equipment is currently lost or degraded because we don't have appropriate storage. Mr. Polson reported that almost everything is under cover either in the garage or the leased space with the exception of some items at Station 3.

Mr. Soli noted that this is the first he has heard of this; when does this go out to bid so that we can hear more about it. Mr. Sullivan responded that this is really an open building with a façade in the front to match the front of the buildings on Ash Street. It has a roofing system that has a beefed up capacity to carry a solar array in the future. We are also trying to make a move to get out of the leased space and the rent we pay. The design on this is planned for Q4. Mr. Soli asked if the Board would get more information on this prior to bid. Mr. Sullivan said, yes. This is a multi-year project. The expectation is that we would move out of the Barbas building FY16 (July 1, 2015).

Mr. Polson reviewed Project 21: HVAC system Upgrade (Multi-year Project). Mr. Polson noted that there was concern raised about the replacement of these items. This project is tied into making the building more energy efficient. There are some changes in technology and some things that we can do to improve efficiency. An energy audit will be done by Energy NE (there was one done in 2007). The building's control system needs to be updated and replaced; lighting changes, water conservation, insulation, and other work also needs to be done.

Mr. Talbot thanked Mr. Polson for the detail and noted that there are three big projects happening on the campus: a garage (with excavation), station one, and the main building. Mr. Talbot wondered if there was a comprehensive overview of how to have the whole campus tied in; since we are doing excavation any way, can we look at a ground source system that would tie all three together. Mr. Talbot

noted that it seems like there is an opportunity to do it once, do it deeply, and do it so that we save huge amounts of energy for many decades. Mr. Polson agreed; the plan is to hire an engineering company to come up with a design and make recommendations on what we should do; we can certainly bring that into the design and evaluation. Mr. Polson noted, however, that we should not delay the mechanical system work on these two items in this building. Mr. Polson stated that he has been trying, since beginning at RMLD eight months ago, to get a grasp on all the systems that need improvement and to address energy efficiencies, but the systems are at risk right now. The plan would be to hire a company, come up with design recommendations, and come back to the Board with a plan.

Mr. Talbot stated that that would be great; that by approving this budget we are not setting in motion a plan to put just boilers and chillers out to bid and that gets done in the absence of a larger plan that we have all reviewed. There is a huge opportunity for great public relations for RMLD and to set an example to other companies and building.

Mr. Sullivan noted that we are cognizant that this really needs a comprehensive analysis and that Mr. Polson is going to head that up. Mr. Polson noted his goal would be that over a three year period everything in the building would be addressed, HVAC, lighting, water conservation. We will have a building and a campus that we can be very proud of.

Mr. Talbot stated that this would not go out to bid until we have a larger report and a presentation to the Board. Mr. Polson confirmed.

Mr. Hooper asked what type of fuel is used for the boilers. Mr. Polson replied, gas. Mr. Hooper noted that condensing boilers might be an option to consider. Geo-thermo would be a great option, but where there is an urgency, condensing boilers may be something we want to consider.

Mr. Polson presented Project 23: New Radio System. Mr. Polson noted that the current system is about 20 years old and uses old technology. We are currently evaluating a digital system that we have had good luck with so far. We are looking at leasing a radio system; we would buy the equipment the first year and after that it would be substantially less (we would pay just a leasing fee thereafter).

Mr. Talbot asked if this goes out to bid. Mr. Polson responded that this company is on the State bidder's list, and that there are limited vendors that provide this service. We would be able to leverage the State pricing.

Chairman Stempeck asked if the system communicates with fire and police. Mr. Polson was not aware of that capability; it depends if we are tied to the same network. Mr. Hooper asked if we utilize cell phones or direct connect. Mr. Polson said that we do use Sprint with direct connect. This new radio system has multiple channels where people can talk in group talk and there are individual frequencies, or they can use direct connect; the system offers a lot of flexibility. Mr. Hooper noted that he uses direct connect to communicate with staff and just wondered if this is something that is needed or is it going to be outdated over time.

Mr. Polson presented Project 24: Repairs – 226 Ash Street, Station One. There has been an architectural evaluation performed and they recommend that, in order to maintain the building from further deterioration, we should repair the roof as well as the exterior masonry, and windows. We can then determine the best use of the building and the cost associated with that. This budget item is a multiyear project to start the exterior work. In FY14 we would start the masonry work and in FY15 we would do some windows and the roof. Over a period of two years, we are looking at \$1.5 million for the exterior work, with additional cost for the interior work.

Mr. Polson clarified the cost structure; the exterior renovation would be \$1.5; the (additional) interior renovation cost would be \$1.1 million if the building were used for storage, or \$2 million if the building was used for occupied space.

Mr. Talbot asked about the process to determine the use of the building. Discussion ensued. Chairman Norton stated, with all due respect, this discussion would be more appropriate for an RMLD Board meeting. Mr. Talbot agreed. Mr. Soli noted that he would be anxious to hear from the CAB members on this issue because it may look too much like we are doing wonderful things for Reading and we're going to make you outside guys pay for it.

Mr. Hooper stated that he thinks preservation of the building exterior before it deteriorates beyond repair is a smart move as it can deteriorate pretty fast. Mr. Hooper questioned the bidding process used for anything over \$100,000; do we go d-cam certification. Mr. Polson replied that we do. Mr. Hooper further stated that if you are using the building for storage that's one thing, but if we are planning to lease it out as office space that is something totally different. Mr. Hooper stated that he can understand the need for storage.

Mr. Nelson stated the preservation of old buildings is a great thing and if the Town of Reading wants to preserve the building that is something they should really consider. What you do with the building; if it is going to be used for storage space or public presentations and public learning remains to be seen. The focus is, do the right thing for Reading because it is in Reading and it is a possibility that it is good overall.

Mr. Capobianco questioned the cost of removing the building and putting up a new structure; is that significantly more expensive than renovating an older building. Mr. Polson did not have that information. He did not know if that had been evaluated.

Chairman Norton noted that Mr. Soli's point was well taken, but that it would be better if at the next CAB meeting the CAB has a presentation from Mr. Polson and a discussion of this issue. The CAB can then make a recommendation to the Board of Commissioners. Mr. Soli said that they would appreciate the CAB input. Chairman Norton stated that he believes the building is on the National Register of Historic Places so it could not be demolished.

This concluded Mr. Polson's presentation.

Chairman Norton asked for a motion on the Capital Budget.

Mr. Hopper made a motion that the Citizens' Advisory Board recommend to the RMLD Board of the Commissioners Draft One of the FY14 Capital Budget dated March 29, 2013, in the amount of \$5,952,008, as presented. Any significant changes are to be submitted to the CAB for review and recommendation. Motion was seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 4:0:1 (4 in favor; 0 opposed; 1 absent).***

3. Scheduling of May Meeting – J. Norton, Chairman

After discussion the CAB members agreed to meet on May 15, 2013, at 6:30 pm, at the RMLD.

4. Motion to Adjourn – J. Norton, Chairman

Motion to Adjourn the Citizens' Advisory Board meeting was made by Mr. Hooper, seconded by Mr. Nelson. Hearing no further discussion, ***Motion carried 4:0:1 (4 in favor; 0 opposed; 1 absent).***

The Citizens' Advisory Board Meeting adjourned at 8:41 p.m.

Respectfully submitted,



John Norton, Chairman

Minutes approved on:

5/15/13