

**CITIZENS' ADVISORY BOARD
MEETING MINUTES
Joint Meeting with the RMLD Board Budget Committee**

TIME: 7:05 P.M.
DATE: May 9, 2012
PLACE: Reading Municipal Light Department, 230 Ash Street, Reading, MA, GM Conference Room
PRESENT: CAB: A. Carakatsane (Lynnfield), J. Norton (North Reading), G. Hooper (Wilmington),
T. Capobianco (Reading), T. Ollila (Wilmington)
RMLD Board Budget Committee: P. Pacino, M. O'Neill, M. West
RMLD Staff: V. Cameron, J. Parenteau, R. Fournier, K. Sullivan, T. O'Connor, N. D'Alleva
J. Carpenter, M. Uvanni, P. O'Leary

1. Call Meeting to Order – A. Carakatsane, Chairman

Chairman Carakatsane called the meeting to order at 7:02 P.M.

2. FY13 Capital Budget – V. Cameron

Note: Budget discussion will be held jointly with RMLD Board Budget Committee

Mr. Cameron suggested that Project #'s 26, 27, and 28, be taken first, so that the respective managers could present and leave thereafter. The CAB agreed.

Project 26

Mr. Carpenter explained that new technology for electric water heaters will give the RMLD the ability to adjust the heater on and off during emergencies and peak demand times remotely.

Mr. Capobianco asked if the residents have WiFi. Mr. Carpenter responded that each customer has to have the internet.

Mr. Hooper asked if there were an incentive for customers to partake in this. Mr. Carpenter responded that presently customers save about \$200 per year, and it would be about the same savings; however, RMLD would no longer have to maintain them anymore or go out and adjust the clocks, so there would be a potential to save \$60,000 to \$70,000 per year that would have been spent just to maintain and adjust them.

Mr. Carakatsane had two questions: 1) Regarding the licensed electrician, he assumed that there is no licensed electrician on staff, and would the RMLD go out and hire one. Mr. Carpenter responded that Fischbach & Moore has a contract with the RMLD to do this kind of work, and they will use them for now; 2) In speaking of savings, he asked for a guesstimate of how long it would take to pay off the \$336,000 cost. Mr. Carpenter noted that the RMLD won a grant for \$50,000 for this project, and Mr. Carpenter's math is somewhere around 2.8 years.

Ms. O'Neill asked if the \$50,000 would come off the budgeted amount. Mr. Carpenter responded, yes. Mr. Cameron noted that the Department had not yet received the grant.

Mr. Hooper asked if the Department went out to bid. Mr. Carpenter responded yes.

Project 27

Mr. Uvanni stated the General Hardware purchases are for failed or obsolete equipment and printers. In FY2013 the amount will cover some dual monitors for employees to run dual applications. He added that Item 2) on the Budget Cost sheet is for an upgraded firewall, and the next three items are to set up for virtual servers to run multiple servers on one piece of hardware. He stated it saves money on hardware, is better for disaster recovery, and would lend well for the future if the IT hardware infrastructure were ever outsourced.

Mr. Pacino asked for comparison he would like to see last year's budgeted amount. Mr. Cameron stated that last year's budgeted amount was \$40,000.

Mr. Carakatsane asked what the major item(s) was to cause the bump up from last year. He assumed it was the EMC item and the firewall. Mr. Uvanni agreed, and noted the firewall is done every three to five years.

Discussion ensued.

Project 28

Mr. Uvanni stated that Item 1) goes along with the Hardware in Project 27, with a certain amount of money put aside for miscellaneous purchases, i.e., upgrading from Windows 2003 to Windows 2010. The #2) item, Custom Programming specific to GIS/Om/CIS Integration, Mr. Uvanni stated that it's complicated to integrate these systems. He noted that there is now an employee on board who is a Systems Administrator and making progress. The custom programming is specifically to integrate the other programs with GIS.

Mr. Carakatsane noticed that in prior years the budgeted amount was usually in the \$90,000 range, and this budget is for \$119,000, and asked for an explanation. Mr. Uvanni responded that more was included in the Custom Programming for the Fixed Network, which is Item 3) and Item 4) the Vmware, is new this year.

Project 15

Mr. Sullivan stated this application will be integrated with other applications such as the Customer Information System, Outage Management System, Fixed Network System, etc. This Project represents the Systems Administrator refining the data not only in the attributes of each of the points connected in GIS, but also refining the data for placement. After the GAP analysis was completed by CDM, they advised that the Department look for someone who could be a Systems Administrator, and his salary is included in this Project.

Ms. O'Neill noted that the scope is the same as last year and asked if what was to be accomplished last year was accomplished for the \$8,700 spent. Mr. Sullivan responded yes, an outside contractor was used before the Systems Administrator was in place.

Ms. O'Neill asked if we now have all the information and this person will pull it all together. Mr. Sullivan responded exactly and that the integration of these processes has begun.

Mr. Pacino asked about the labor being capitalized. Mr. Sullivan responded that when the Systems Administrator is working on a capital project, his time is capitalized, and noted the person was hired in February, 2012.

Ms. West asked what the employee would be doing at the end of this project. Mr. Cameron responded that he would be administrating the system, which means his labor would then be in the operating budget. He explained that labor is capitalized only when it is directly related to a capital project.

Ms. O'Neill wanted to address the issue of the funding sources of the capital budget first, and then the overall questions.

Ms. O'Neill had raised a question relative to the Six Year Plan and the difference in the amounts for the Capital Budget between the FY2012 and FY2013 sums. Mr. Cameron explained that the Six Year Plan done in March 2011 was for the FY2012 budget. Mr. Cameron forecasts the Six Year Plan in March each year, approximately 15 months out from the end result. Items that affected the difference in the forecasts included the Meter Upgrade Project, the Fixed Network Project, the Station One project, vehicle purchases, and some underground work.

Mr. Cameron addressed the funding sources of the capital budget and referred to Page 4 of the monthly financial statement. He noted that the two main sources of funding for the capital budget are the construction fund and the depreciation fund. A third source is bonding.

Ms. O'Neill had one last overall question regarding the variance in the Six Year plan included in the FY2013 budget from the FY2013 list before them. Mr. Cameron explained that the bottom line numbers are the same, but there are different headings for the Six Year Capital Plan versus the budget.

Discussion ensued.

Projects 1, 2, 3, 5, 6, 9, 12, and 13

Mr. O'Connor outlined these projects.

Mr. Sullivan noted that Project 3 has approximately \$165,000 to be added as a carryover. He clarified that a portion of Phase One not completed in FY2012 will be done in FY2013.

Mr. Cameron noted that there will be a Draft 2 that will include the corrected sheets with the approved changes.

Mr. Pacino asked that the methodology for calculating Project 12 be sent to him.

Board members expressed concern that the corrected sheets were not available.

Discussion ensued.

Project 4

Mr. Sullivan stated that the labor piece of \$80,653 will be carried over to FY2013.

Project 8

Mr. Sullivan explained that this is also a carryover project with materials being purchased in FY2012, and the installation being done in FY2013.

Chairman Pacino asked for a spreadsheet outlining in columns the FY2012 Carryover Amounts and any additions/deletions, and the final FY2013 Budget Amount. Ms. O'Leary will create and distribute.

Project 10

Mr. D'Alleva explained that this project is similar to the upgrade in Station 4. The equipment is outdated with very little support and no parts. The RTU is the communication link between the equipment in the substation and the SCADA control device in the Control Center.

Project 14

Mr. Sullivan stated that this number is determined by historical data. Looking at the data he has, the RMLD spends about \$1.3 million every year. This project covers all capital items that are not a defined project, such as pole settings, street lights, etc. It also covers storm damage.

Ms. O'Neill noted that currently this Project is way over budget, and questioned why not budget more for it? Mr. Sullivan responded that he thought this year was an anomaly. He noted the two big storms (August and October) had a huge impact on Routine Construction.

Discussion ensued.

Project 16

Mr. Sullivan stated this is the annual purchase of Transformers. Ms. O'Neil asked if FR3 transformers are included, and Mr. Sullivan responded, yes.

Projects 17A, B, and C

Mr. D'Alleva stated that 17A is the annual purchase of mainly residential meters including time-of-use (TOU) meters for replacements of meters that fail and for new customers.

Mr. Sullivan noted that 17B is the fourth carryover project, and stated that the carryover is included in the \$564,416 and is comprised of labor, installation and testing of collectors and repeaters, additional splicing and terminating locations, and additional equipment locations.

Mr. Sullivan stated that 17C is not a carryover; it is a new project. Mr. Sullivan stated that this is the upgrade of the commercial meters. Mr. D'Alleva explained that the current commercial meters need to be read on site, whereas with the new meters the data will be obtained through the Fixed Network System. The Department will be able to get hourly reads, and these meters will also help with Demand Side Management in the future. The Department will be able to monitor the load and decrease load if necessary.

Projects 18 and 19

Mr. Sullivan outlined these projects and the need for replacement vehicles. Ms. O'Neill asked about hybrid and/or low emission vehicles. Mr. Cameron stated the Facilities Manager will be evaluating hybrids.

Project 20

Mr. O'Connor explained that this pole dolly has a cargo bed, break-away brake system, and the lights. The Line Department currently has one, and would like a second one.

Project 21

Mr. Sullivan stated that this is a budget number for replacement of the controlling building system. This proposed system would handle the entire building. It is computerized and offers the opportunity to have accessories such as security cameras, access control, etc. built into it.

Project 22

Mr. Sullivan stated that this entire project is being carried over. Mr. D'Alleva stated that it is a purchase of Engineering and Analysis Software and Data Conversion that will give the Engineering Department the ability to calculate fault currents, arc flashes, load flows, will help balance the system, and make it easier to see where problems may occur.

Project 23

Mr. D'Alleva noted that there is no generator at the Gaw Station, the RMLD's largest substation.

Project 24

Mr. Sullivan noted that Station One is on the National Historical Register, and that currently there is an architect doing an assessment on the building to determine the immediate needs of any repair work on the roof, gutters, or mortar. The Department does not want any deterioration to continue.

Mr. Carakatsane asked if the building is used for storage. Mr. Cameron replied, yes, light storage.

Project 25

Mr. Sullivan stated that this is a budgetary item to begin replacing worn carpeting.

Mr. Cameron stated that the changes discussed will be made on the project sheets and distributed for members to put in their books.

Ms. West stated that what she would like to see on the new summary is the line item, what it currently is, what the new amount is, and the reason for the change. She asked if it would be possible to get last year's and this year's on the summary page and also the amount of the carryover. Mr. Cameron said, yes.

3. Other Items for Discussion

NEPPA Annual Conference 2012 – September 16-September 19

Ms. O'Leary asked the CAB members to review the information that is attached, and to make a reservation if they think they will be attending. She will put it on the June meeting for a vote.

4. Next Meeting– May 16, 2012 – Wilmington Town Hall, Room 9 (to include an Executive Session)

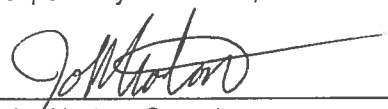
5. Adjournment

At 9:12 p.m. Mr. Norton made a motion seconded by Mr. Hooper to adjourn the Regular Session.

Motion carried 5:0:0.

Mr. Norton – Aye; Mr. Hooper – Aye; Mr. Carakatsane – Aye; Mr. Ollila – Aye; and Mr. Capobianco; Aye.

Respectfully submitted,



John Norton, Secretary

Minutes approved on: 5/15/2013