



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2020-01-07

Time: 6:30 PM

Building: Reading Municipal Light Building

Location:
General Managers Conference Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Draft

Attendees: **Members - Present:**

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

Members - Not Present:

Others Present:

Mr. David Talbot, Board of Commissioners
Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Ms. Kathleen Rybak, Mr. Charles Underhill

Minutes Respectfully Submitted By: Mr. George Hooper, Secretary

Topics of Discussion:

1. Call Meeting to Order – D. Kelley, Chair

Chair Kelley called the meeting of the Citizens' Advisory Board to order at 6:30 PM and noted the meeting was being audio recorded.

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

20-Year Agreement: Ms. O'Brien reported that she has sent out a letter regarding the extension of the 20-Year Agreement to the Chair of each Select Board with a copy to the Town Manager/Administrator and the respective CAB member(s). The letter asks each town to respond by May 31st regarding the ten-year extension. RMLD is available to assist the towns with the process as needed.

Lynnfield Representative: Ms. O'Brien reported that the Town of Lynnfield has appointed Joseph Markey as their Representative to the CAB. The RMLD reached out to Mr. Markey to set up his RMLD orientation; the RMLD is looking forward to having him join the CAB.

Payment to the Town of Reading: Ms. O'Brien reported that there will be a presentation at the Board of Commissioners meeting (this evening) on the options for the payment to the Town of Reading. Information regarding the various options has been posted on the RMLD website, including documents that the Reading Finance Committee had requested regarding fund balances. Ms. O'Brien stated anyone with questions regarding the presentation should contact her.

Wilmington Substation: Ms. O'Brien noted that she is working with the Town of Wilmington on securing land and filing an Article 97 exemption with the State to lift the restrictions on the wetlands act based on a public hardship.

3. Financial Update – W. Markiewicz, Director of Business, Finance & Technology
Materials: Financial Report – November 30, 2019 (dated January 7, 2020)
Presentation Slides and Financial Statements

Ms. Markiewicz provided a report on the financials year-to-date through November 30th starting with the highlights outline on Slide 2 (11 Months of CY19 Ending November 30, 2019, Approximate Highlights). Mr. Soni asked if 99% current on accounts receivables is typical. Ms. Markiewicz replied that it was not typical; RMLD stays above 90% and has been running 97-99%, which is very good. The group discussed the collection process and some of the factors that contribute to RMLD's success including the work of the Credit and Collection Manager and some automated processes put in place.

Mr. Hooper asked about Purchase Power Fuel expense, which is exceeding purchase power revenue by \$900k, and Power Capacity Transmission with revenue at almost \$500k. Why are they trending this way? Mr. Underhill responded that the rates for sub-transmission are estimated at the beginning of the year – they are not set like the ISO and the referred charge - and we have no control over them. Because the transmission has been lightly loaded, and the ISO has gotten excess revenues to feed back – they have been lower than anticipated. Energy price has stayed well below what we thought it was going to be, and it is also dependent on the lower sales; the cost impact to RMLD on the more expensive resources has been lower. We are now getting quarterly updates, which will be used to retarget through the end of the year.

Ms. Markiewicz then reviewed the remaining slides. Kilowatt Hours Sold by Month (Slide 3) shows a slight dip in November. On Slide 4 (Cash Balances), Ms. Markiewicz noted that the sick buyback should start coming down because the new (labor) contracts include sick buyback eligibility and some people have taken advantage of that. Slide 5 shows the YTD Operating and Maintenance Expenses Actual to Budget. Ms. Markiewicz noted that expenses are down ~12.7% actual to budget. We have not had any significant storms in 2019 through November, and we are understaffed. These numbers may go up in December as we close out the fiscal year through December 31. Ms. O'Brien noted the rate stabilization is at \$7m; the Board vote calls for it to be plus or minus \$500k over \$6.5m. On the six-year projections, the Stabilization fund is expected to be used for of any rate increases for the next three years.

Ms. O'Brien stated (with the 2020 Budget) there is no rate increase. However, that does not speak to the second half of the towns' fiscal year. We are doing a cost of service study now and will have that information, so that it can segue into the preparation of the towns' fiscal budgets in March. Fiscal Year 2021 includes the first six months of next (calendar) year and there is a rate increase anticipated (for CY 2021). Mr. Hooper stated that the Town (of Wilmington) has already prepared the 2021 fiscal year budget, based on discussions that there would be no rate increase, and noted the process started in November with presentations to the Select Board in January. Town budgets are then approved in May for July. Ms. O'Brien noted, if there is a 3% increase (for CY2021), it would be a 1.5% increase for half of the fiscal year covered by stabilization. An email was sent out saying that anything that could impact the towns' fiscal year 2021 budget, would come out by March. Moving forward, we will look at adjusting when the RMLD provides the rate input information to the towns, but that it will require the RMLD to project 18 months ahead.

4. Scheduling: CAB Meetings & Commissioners Meetings Coverage – D. Kelley, Chair

Mr. Hooper will cover the January 23rd Commissioners Meeting.

Ms. O'Brien noted that an EV Workshop is being planned for the February BOC meeting, and the cost of service study should be ready for presentation at the March meeting.

The February meeting was scheduled for February 20th starting at 5:30 to accommodate the EV Workshop. Mr. Small will cover the Commissioners meeting immediately following.

The March meeting was scheduled for March 19th at 6:30. Chair Kelley will cover the Commissioners meeting immediately following.

5. Adjournment – D. Kelley, Chair

Mr. Hooper made a **motion** to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Small. **Motion carried 4:0:0** (4 in favor, 0 opposed, 0 absent).

The CAB meeting adjourned at 7:09 PM.

As approved on _____

DRAFT