



Town of Reading Meeting Posting with Agenda

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2019-03-21

Time: 6:30 PM

Building: Reading Municipal Light Building

Location:
General Managers Conference Room

Address: 230 Ash Street

Agenda:

Purpose: General Business

Meeting Called By: Dennis Kelley, Chair

Notices and agendas are to be posted 48 hours in advance of the meetings excluding Saturdays, Sundays and Legal Holidays. Please keep in mind the Town Clerk's hours of operation and make necessary arrangements to be sure your posting is made in an adequate amount of time. A listing of topics that the chair reasonably anticipates will be discussed at the meeting must be on the agenda.

All Meeting Postings must be submitted in typed format; handwritten notices will not be accepted.

Topics of Discussion:

1. Call Meeting to Order – D. Kelley, Chair
2. Approval of Minutes – D. Kelley, Chair
Suggested Motion: Move that the Citizens' Advisory Board approve the Minutes of the January 23, 2019, meeting as written.
3. Commissioners Meeting: Update from February Meeting – J. Small, Vice Chair
4. General Manager's Update – C. O'Brien, General Manager
 - Legislative Rally in Washington, DC – February 25-27
 - Storm Issues & Outages Update
5. Purchase Power Agreement – C. Underhill, Director of Integrated Resources
Suggested Motion: Move that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners to authorize the General Manager to finalize negotiations and execute a contract with First Light Power Resources for the output of the Shepaug and Stevenson Hydroelectric facilities.
6. Integrated Resources Division Report – C. Underhill, Director of Integrated Resources
7. Future CAB Agendas/New Business – D. Kelley, Chair
8. Scheduling: CAB Meetings and Commissioners Meeting Coverage – D. Kelley, Chair
9. Adjournment – D. Kelley, Chair

This Agenda has been prepared in advance and represents a listing of topics that the chair reasonably anticipates will be discussed at the meeting. However the agenda does not necessarily include all matters which may be taken up at this meeting.

Attachment 1 - Agenda Item 2: Draft Minutes from January 23, 2019, Meeting



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2019-01-23

Time: 6:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version:

Attendees: **Members - Present:**

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

Members - Not Present:

Mr. Dennis, Kelley, Chair (Wilmington); Mr. Neil Cohen (Reading)

Others Present:

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

Minutes Respectfully Submitted By: Mr. Vivek Soni, Secretary

Topics of Discussion:

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

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

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

Town Meetings: Ms. O'Brien reported that she meets annually (once or twice per year) with each town manager/administrator followed by an update to the Board of Selectmen. While meeting with the Town Administrator/Manager she reviews her presentation and asks if there are any additional issues specific to the town that the Administrator/Manager would like addressed. Ms. O'Brien noted that she gives an Annual Report at the Reading Town Meeting (typically in November) which provides a review of the highlights for the year, and she uses that presentation as the basis for her presentation for the other towns. In addition to the Reading Town Meeting, Ms. O'Brien noted that she has presented to the Wilmington Board of Selectmen. North Reading is scheduled for January, and the Lynnfield date is pending. Ms. O'Brien will provide another update to Reading in the spring.

Mr. Soni asked about what the towns are interested in and what would be the take-aways from the meetings. Mr. Hooper and Ms. O'Brien spoke about the Wilmington presentation. General topics include updates, accomplishments, maintenance programs, reliability, street lights, efforts to off-set losses of kilowatt hour sales with the EV programs, double poles, economic development, and rates.

The presentation is fairly comprehensive. Ms. O'Brien noted that specific items, such as a particular double pole, are sometimes raised. Mr. Soni asked, going forward if we could capture and tabulate in one place what the important issues and take-aways are for each of the towns. Ms. O'Brien indicated that if an issue is raised by the towns then those are captured. Ms. O'Brien reiterated that any issue can be brought to her attention by CAB members at any time.

Organizational Study Update: Ms. O'Brien reminded the CAB that most items from the Study are either complete or ongoing, with the exception of a few items. Outstanding items include the internal and external surveys, the HR position support, and the Strategic Plan. Ms. O'Brien provided the following update:

- *Surveys (internal and external):* Ms. Mulvaney is working with a number of outside resources such as NEPPA and other municipals to develop both surveys. Drafts should be ready for Board and CAB input sometime in the spring.
- *HR Support:* Ms. O'Brien noted that the Human Resources Manager has given her notice and will be leaving in about ten weeks. As we strategize and go forward with staffing, succession is being built in. However, that isn't helping with staff that are leaving now that had no one being trained behind them, such as Human Resources. Ms. O'Brien reported that she will specifically focus on talent management and talent acquisition when recruiting for the Human Resources position. Ms. O'Brien noted that there are a number of other jobs posted including a Leader Lineman, Assistant Purchasing Manager, Resource Specialist, and Power Supply Analyst. Vacancies are posted on the RMLD website.
- *Strategic Plan:* Ms. O'Brien reported that the management team, working with a facilitator (Mike Prisco, Chair of the North Reading Board of Selectman), has begun work to re-write the Strategic Plan. Strategic plans include objectives, SWOTT analysis, mission and vision, and a plan for updating the Strategic Plan annually. Mr. Soni asked if RMLD looks at what the threats or risks are, to the communities, from the infrastructure that a utility has in place. Does the trend cover that aspect? Mr. Soni asked if the threat analysis could be discussed further at a future CAB meeting. Ms. O'Brien noted that the strategic plan will address catastrophic events. Once a draft is completed (within the next couple of months) it will be presented to the boards, and then posted on the RMLD website.

Mr. Talbot asked if the CAB and Board would have an opportunity for input into the strategic planning process before the draft is completed. Ms. O'Brien responded (the process is) that senior management is going to put it together in draft form and then it will go to the Board to be reviewed. Mr. Talbot expressed concern that the Board should to be involved earlier in the process - while it is still taking shape. Ms. O'Brien responded that the strategic plan is based on policies already approved by the Board. Ms. O'Brien noted she had previously incorporated some of the strategic planning into the budget process, but that doesn't incorporate all of the public power core values. Ms. O'Brien referred to the North Reading Strategic Plan (on the Town website), which is a similar template to what RMLD will be using. Ms. O'Brien noted that a strategic plan can be driven by policies that the governing board puts in place, so the strategic plan doesn't take policies that the Board has approved out of the equation.

Mr. Talbot asked about (to Mr. Soni's point about how a town's feedback gets back to the RMLD) the status of a previously proposed solar project in Lynnfield (at one of the schools). Ms. O'Brien responded that she would be discussing that project with the Lynnfield Town Manager when they meet prior to the Selectmen meeting. Mr. Talbot commented that if something was learned from that process, he (and other CAB and/or Board members) may want to know what was learned – what went wrong – what turned out to be feasible.

3. **Engineering & Operations Report – H. Jaffari, Director of E&O**

Materials: Engineering & Operations Report dated January 23, 2019

Mr. Jaffari presented the E&O Report starting with a review of Major Construction Projects that are currently underway or recently completed (slide 2).

- The pole line upgrade on Woburn Street has been completed, including 35 sections of poles and wires that are the backbone of one of the major circuits carrying load in Wilmington. This was a two-year project.
- A remote racking device was purchased and installed at Station 3 to enhance safety while racking in and out during switching.
- RMLD recently completed some work at Martin's Landing in North Reading. Work will continue over the next few years as the developer continues building at this site.
- 4W5/4W12 Getaway Improvements at Station 4 continue. Mr. Jaffari noted that due to the design (20-30 years ago) of the getaways, the heat affect would de-rate the underground cables. Engineering put together a design to pull two of these circuits from the underground getaway and put them overhead (directly from the station) in order to relieve the pressure from the ducts in the system and increase the rating of the cables.
- Repairs continue on the 3W13 riser that was damaged as the result of a motor vehicle accident. Crews are running the cable and will hopefully energized it within the next week.

Mr. Jaffari then provided a review of the ongoing Maintenance Programs (slide 3). The aged transformer replacement program includes transformers over 25 years old (approximately 1,600 transformers). Priority for upgrade is based the age and the condition of the transformers. Mr. Jaffari noted that transformer oil leaks have been on the rise for the past five years, so we may need to accelerate the replacement program. Ms. O'Brien stated that she and Mr. Jaffari will be doing another failure analysis on the transformers and will return with more details and a recommendation to address the aged transformers in the system; this may include a budget change request. Mr. Jaffari noted that in the meantime we continue to address the aged transformers at the pace that we've been doing for the past five years or so. Mr. Jaffari continued his review of the Maintenance Programs. Two-hundred and fifty-six (256) poles have been set and 229 of those poles have been transferred (electric) as part of the Pole Inspection Program. Tree trimming continues with 493 spans completed through December. With the Inspection of Feeders program, a number of feeders are being inspected each quarter – if there are any signs of wear and tear or any problem that could potentially cause an outage – they are being identified and addressed immediately. Infrared scans of the substations are done monthly, and the parks are done quarterly. Staff scan at every station to see if there are any signs of failure or hot spots, which are immediately addressed. Mr. Jaffari noted that the frequency that RMLD scans is aggressive – most utilities usually scan during the summer (the peak of the system and when the temperature is hot). RMLD scans stations every month because we

have the (scanning) equipment to do that and because of the age of the system and the equipment. The manhole inspection is ongoing; if there are any problems we address them. Porcelain cutout replacements is ongoing; as we are making improvements in various areas, the cutouts are also being replaced. Mr. Jaffari noted that with these maintenance programs, RMLD is taking a proactive rather than reactive approach.

Mr. Jaffari then provided an overview of the Pole Inspection Program (slide 4) that was started in 2014 (with inspection of RMLD poles in Reading and North Reading). The failure rate the first year was 33%, and it has been going down. Mr. Jaffari noted, however, that there are areas within the RMLD territory that Verizon is responsible for, but they have not been testing. RMLD will be including those areas in this program as well (approximately 18,000 poles and a ten-year program). Ms. O'Brien commented that Verizon will not pay RMLD to do the inspection; we're doing it for public safety.

Mr. Jaffari then reviewed the status of double poles (slide 5). The NJUNS program is used by all of the utilities to communicate who is responsible to transfer next. As soon as RMLD is done with their transfer (electric is first), it goes to the other attachees. Once everything is transferred, the custodial owner of the pole will remove the old pole butt.

Mr. Jaffari then presented the Reliability Indices (slide 6). SAIDI and CAIDI are well below the national and regional average. SAIFI is a little bit over the regional average, but well below the national average. A factor for the increase this year is the rain, which has caused trees to come down taking the lines and breaking poles. Motor vehicle accidents are also increasing this year compared to the five-year average. Because of these small incidents, the frequency of outages has gone up. Mr. Jaffari noted that the "regional" area is the Northeast. These numbers (averages) come from APPA – utilities report outages to APPA and then they provide the national and regional averages to show how we compare to other areas. Last year RMLD received the reliability award from APPA.

Mr. Jaffari then provided an overview of the outages for November and December. In November there were 26 outages; most of the problems were tree related, with some animal related issues. In December there were only four outages. Mr. Jaffari reviewed the Causes of Outages (slide 7), comparing the five-year average and 2018. As mentioned earlier, trees and motor vehicle accidents are two of the major problems as well as the wildlife. Mr. Jaffari noted that RMLD does use animal guards; as a best business practice, any new equipment that is installed includes animal guards. Unfortunately, (as with pad-mount transformers) because of the age and the condition (holes) of equipment animals get into the equipment. This is a typical problem for most utilities.

Reliability (Booth Study) Report Update

Materials: Booth and Associates – 2015 Reliability Study–Recommendations dated January 22, 2018

Mr. Jaffari updated the group on the progress on items identified in the 2015 Booth and Associates Reliability Study. Mr. Jaffari reported that 70% of the items have been addressed. Some of the outstanding items will be addressed with the new Wilmington substation. Items completed since the last report (in red) are Items #6: GIS upgrade; #16: Milsoft model; #17: The SCADA system is installed and

upgraded. It is now ready for the outage management system (OMS). With OMS we can better handle outages in order to restore the system in the most expeditious and safe manner; #34: an underground conductor was replaced in order to increase the capacity of the feeder; #46 and #47: Station 3 timing relay was adjusted, and a low oil trip was added to transformer; and Item #58: repaired transformer #110D cooling contactor.

Mr. Jaffari also noted that since the last Reliability Study Report Update to the CAB, RMLD has passed the NERC audit – cyber security and reliability. We provided them documentation related to plans for fixing the system, as well items in the Reliability Study that have been addressed and the testing that has been completed. RMLD is more proactive and they were impressed with how frequently we do testing. Mr. Soni asked about the frequency of NERC audits. Mr. Jaffari stated that he was not 100% sure of the frequency, but believes when NERC started the program, audits were every three years. However, depending on how well the utility is taken care of, they have now gone up to five years. If the utility is identified with a problem during the audit, they may do the audit more frequently. Ms. O’Brien added that NERC is always changing requirements that are mandated so we are always filing; we have to make sure that all of our filings are on time. It’s a huge amount of work to keep up with the filings and the system security. Ms. O’Brien noted that the testing from NERC doesn’t necessarily line up with best business practices for the condition that your equipment is in. Because RMLD has a lot of old equipment, we are going to test more often as opposed to a brand-new system. NERC is not telling you what you should test at - that’s the minimum.

New Wilmington Substation: Mr. Jaffari reported that RMLD is currently exploring two locations in Wilmington. The model is built for the sub-station design and how it is going to fan out based on both scenarios.

4. **Update Payment to the Town of Reading Sub-Committee – G. Hooper**

Mr. Hooper updated the CAB on the ongoing discussions regarding the payment to the Town of Reading. The suggested recommendation is to go with a two-year fixed payment (at the current payment amount) for CY19 and CY20. This would provide a timeframe to come up with a plan – something that is a little more realistic based on kilowatt hour sales (the current formula is based on the CPI) - something that’s not going to harm the RMLD. This (payment) could change if a catastrophic failure or something were to happen. Mr. Hooper asked if there were any questions or anything to take back to the Sub-Committee. Mr. Small asked about the use of a consultant. Mr. Hooper noted that the Town has talked about bringing in a consultant – it is unclear how it would be funded. Mr. Soni asked if the RMLD’s analysis was the basis for the two-year fixed payment. Ms. O’Brien stated that she did her analysis as directed by the Board because as GM she must be looking at financials down the road to say – if we keep going in this direction, we are going to have a convergence, but also to make a recommendation on other formulas that are more directly related to the health of a business (i.e., kilowatt hour sales). Ms. O’Brien noted that locking the rate or other suggestions (related to the payment) is something that is happening outside of her scope – it is between the Sub-Committee and the Town, and the Board. Ms. O’Brien stated that she is working to update and refine the numbers in the analysis/study, looking at how we would transition from the old formula to a new formula and looking at what other municipalities do, in order to give recommendations back to the Board so that they can make a vote at some point. Ms. O’Brien noted RMLD is trying stay

ahead of system asset failures (which requires capital investment); there's on-going failure analysis. Ms. O'Brien stated the town wants predictability in payment, but RMLD also has unpredictability. Some utilities may lock in for a couple of years because they know short of a catastrophic event nothing much will change. However, you could lose a large customer, which could be a catastrophic event.

5. Review of Coverage for Upcoming Meetings – J. Small, Vice Chair

Mr. Hooper will cover the January BOC meeting, and Mr. Small will cover the February BOC meeting. The February CAB meeting was tentatively scheduled for the February 13 or 27, pending availability of all CAB members.

6. Adjournment – J. Small, Vice Chair

Mr. Hooper made a motion to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Soni. Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).

The CAB meeting adjourned at 7:47 PM.

As approved on _____

DRAFT

Attachment 2 - Agenda Item 5: Term Sheet

Term Sheet for Purchase of Power from First Light Power Resources

Seller: First Light Power Resources

Buyer: Reading Municipal Light Department (Through ENE Wholesale Group)

Transaction Type: Energy - 3% of net plant output of Shepaug and Stevenson Hydroelectric facilities for each and every hour during the delivery period (approx. 20,438 MWhs per year)

RECs – Associated unit contingent RECs (ME Class II and VT Tier I) generated by Shepaug and Stevenson hydroelectric facilities during the delivery period.

Term: April 01, 2019 – December 31, 2023

Delivery Point: Mass Hub

Pricing: \$52.38 per MWh (weighted average ATC price)
Sale of generated RECs will reduce price.

Attachment 3 - Agenda Item 6: Integrated Resources Update



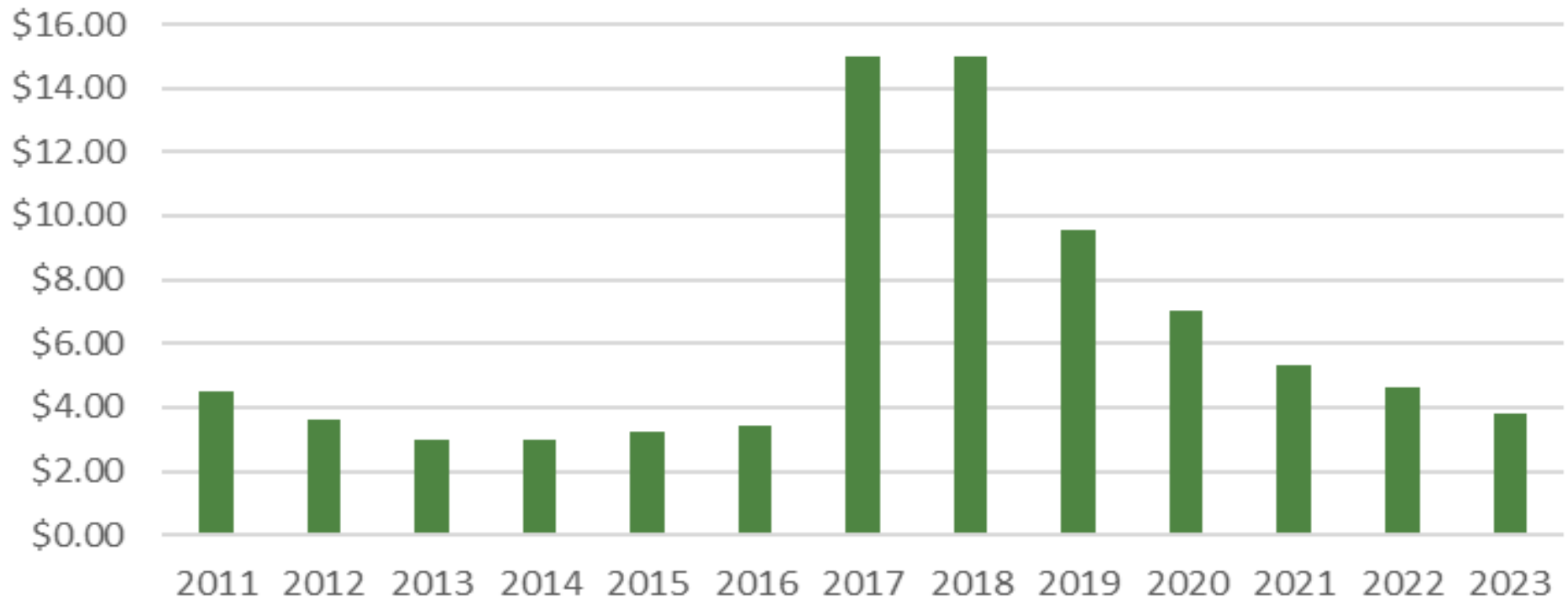
Citizens Advisory Board

***IRD Update : Charles Underhill,
Director of Integrated Resources***

March 21, 2019

Integrated Resources Update

Forward Capacity Market (FCM) Auction Clearing Prices



Integrated Resource Update

