



**READING MUNICIPAL  
LIGHT DEPARTMENT**

**BOARD OF COMMISSIONERS MEETING**

**REGULAR SESSION**

**THURSDAY, SEPTEMBER 23, 2021**

# **APPROVAL OF BOARD MINUTES**

## **ATTACHMENT 1**



# Town of Reading Meeting Minutes

## Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2021-06-03

Time: 7:30 PM

Building:

Location:

Address:

Session: Open Session

Purpose: General Business

Version: Draft

Attendees: **Members - Present:**

Mr. Robert Coulter, Chair; Mr. Philip Pacino, Vice Chair; Mr. John Stempeck, Commissioner; Mr. David Talbot, Commissioner; Ms. Marlena Bitá, Commissioner

**Members - Not Present:**

RMLD Staff: Ms. Coleen O'Brien, General Manager; Mr. Hamid Jaffari, Director of Engineering & Operations; Mr. Greg Phipps, Director of Integrated Resources; Ms. Wendy Markiewicz, Director of Business Finance; Mr. Brian Hatch, Director of Information Technology; Mr. John McDonagh, Assistant Director of Engineering and Operations; Mr. Tom Ollila, Integrated Resource Engineer; Ms. Kathleen Rybak, Operational Assistant to Engineering & Operations; Ms. Erica Morse, Executive Assistant; Mr. Vivek Soni, Vice Chair, CAB, Reading

**Others Present:**

Presenting: Mr. Andrew Gordon, Audit Supervisor, Melanson; Mr. Zack Fentross, Audit Manager, Melanson

Public: Mr. John Rogers, 39 Tower Hill Road, North Reading

**Minutes Respectfully Submitted By:** Philip Pacino, Secretary Pro Tem

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## Topics of Discussion:

Due to the pandemic and the March 12, 2020, Governor's Executive Order Suspending the Certain Provisions of the Open Meeting Law, all participants attended remotely.

1. Call Meeting to Order – Vice Chair Pacino, Covering Chair

Covering Chair Pacino called the meeting to order at 7:30 PM and read RMLD's Code of Conduct. Covering Chair Pacino announced that this meeting of the Reading Municipal Light Department Board of Commissioners is being held remotely on Zoom and live on RCTV and YouTube. Mr. Pacino was the Board Secretary at the meeting.

### Introductions

Covering Chair Pacino welcomed everyone to the meeting of the RMLD Board of Commissioners and asked all attendees to identify themselves.

2. Public Comment – Vice Chair Pacino, Covering Chair  
Citizens' Advisory Board Meeting

Mr. Soni reported that the Citizens' Advisory Board voted to recommend approval of the topics on the June Board of Commissioners agenda.

### Public Comment

Mr. Rogers attended the meeting on behalf of GRACE (Greater Reading Alliance for Clean Energy) and thanked Mr. Pacino for allowing the public to engage in the meeting.

3. Presentation of 2020 Financial Audit Findings - Mr. Andrew Gordon, Audit Supervisor Melanson; Mr. Zack Fentross, Audit Manager, Melanson  
*Materials: Board Packet; Annual Financial Statements; Financial Report*

Mr. Pacino reported that the RMLD Board of Commissioners Audit Subcommittee met with the Town of Reading Audit Committee; both Committees voted unanimously to recommend that the Board accept the Audit.

Mr. Gordon presented the financial statements in a comparative basis for the first time in years. The lack of comparative statements in the past was because the department moved to a December 31 year end from a June 30 year end as well as the implementation of GASB (Governmental Accounting Standard Board) 74 and 75. The takeaway of the 2020 Audit findings was that the department had positive operating results; a well-funded OPEB Trust Fund; and there was no management letter. RMLD received a clean opinion; the best opinion you can receive from an Independent Audit; and there are no exceptions. This opinion is consistent with prior year with prior years.

Mr. Gordon reported that the net of accumulated depreciation increased from CY19 by approximately \$2.4m. This increase consists of \$7.3m in additions to capital assets less \$4.7m depreciation expense for the year. The net pension liability, which is the department's portion of total unfunded liability for the Reading Contributory Retirement System (measured as of December 31, 2019), decreased \$2.5m from the prior year. The primary reason for the decrease is due to the Retirement System's investment results coming in greater than anticipated (\$10.1m); of that, RMLD's benefit was about \$2.9m. RMLD's proportionate share of total unfunded liability is about 28.35%. The Reading Retirement System is funded higher at 78.24% than the average seen in the Commonwealth (66%). The RMLD set aside \$6.6m to fund future appropriations to the retirement system. These funds (Per GASB) cannot be used to reduce the net pension liability. (Page 8)

Mr. Gordon stated that the net OPEB liability balance increased \$7.2k from the prior year. Mr. Gordon reported on the required supplementary information for the department's other post-employment benefits, which includes health insurance and other health care benefits that the department provides for employees. Mr. Gordon identified the total OPEB liability for 2020 (\$11.6m) and the plan fiduciary net position (\$4.5m); these figures demonstrate that the department has funded the total OPEB liability at 38.62%. According to Melanson, most towns or cities are between 1% and 10% funded (average); light departments in the Commonwealth are between 20% to 40% funded. RMLD is in good shape in terms of funding the total OPEB liability. (Page 44)

Mr. Gordon noted there was a decrease of \$2.5m in electric sales, net of discounts, in conjunction with a \$3.7m decrease of purchase power. The decrease in both these items was primarily due to the decrease in cost of power from 2019-2020. The cost savings that RMLD saw as a result passed through to the customer, causing a decrease in both electric sale and purchase power operating expense. (Page 9)

Mr. Pacino asked Mr. Gordon to address the conflict of timing on the pensions between timing with GASB. Mr. Gordon responded that the corresponding actuarial valuation that the department's actuary creates for Melanson to determine the OPEB liability is based as of June 30, 2018. Per GASB 75, the requirement is that the valuation must be within 30 months and one day from the financial statement date. However, per GASB 74, the actuarial valuation only must be within 24 months of the financial statement date. The valuation presented is not in accordance with GASB 74. Melanson spoke with the actuary and determined that this fact would not have a material impact on the financial opinion for RMLD, therefore, Melanson did not qualify their opinion for this year. The possibility of having separate valuations for the

town and RMLD was brought to the actuary's attention. Ms. Markiewicz stated in the past RMLD had a separate actuary study from the town and this was successful.

Mr. Pacino made a **motion**, seconded by Mr. Stempeck, that Board of Commissioners accept the 2020 audit report from the Melanson fiscal year dated December 31, as presented on the recommendation of the town of Reading Audit Committee and the RMLD Board of Commissioners Audit Subcommittee.

**Motion Carried 5:0:0**

Roll call vote: Mr. Pacino, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; Chair Coulter, Aye; Ms. Bitá, Aye.

4. Report on Citizens' Advisory Board Meeting on June 3, 2021 –Chair Coulter

Chair Coulter reported that the Citizen's Advisory Board voted unanimously to accept the Gravity contract, the new production environment, and approved attendance at the 2021 NEPPA Conference.

5. General Manager's Report (Attachment 2) –Ms. O'Brien, General Manager  
*Materials: NEPPA's 2021 Annual Conference. Presentation, PDF Document*

Ms. O'Brien reported on the following:

**RMLD Community Update**

*Virtual Electric Vehicle Workshop*

This was held on April 27th attended by 75+ people. The roundtable was informative and provided excellent feedback. Some community tv stations will be broadcasting the event. RMLD plans to have another EV Workshop in September during the national drive week. The RMLD will likely have an additional heat pump round table before year. end

*The High School Art Contest Virtual Awards Ceremony*

This was held on May 12th. The RMLD thanked Messrs. Pacino and Stempeck for their attendance, as well as giving out the awards. The winner will be displayed on the front cover of the RMLD Annual Report, which will be out by the end of June.

*YMCA's Healthy Kids Day*

The RMLD participated in Burbank YMCA's Healthy Kids Day on May 22<sup>nd</sup> presented electrical safety information to the children in attendance.

*The Virtual Electrification Presentation*

This will be taking place on June 7<sup>th</sup> at 2:30 PM in partnership with the Wilmington, Reading, and North Reading libraries.

*Wilmington Farmer's Market*

Will be taking place on June 27<sup>th</sup>; the RMLD will be at the community table from 10:00 AM to 2:00 PM.

*The Annual Shred the Peak Press Release*

RMLD will be making a statement clarifying that the "Shred the Peak" is the overall program; the "Peak Demand Reduction pilot program" is for commercial and industrial customers; "Shred the Peak" is for residential.

**Northeast Public Power Association (NEPPA) Annual Conference**

This will be held on August 22<sup>nd</sup> – 25<sup>th</sup> at the Westin Portland Harborview, in Portland, Maine. Board Approval is required for General Manager travel. Discussion followed on the benefits of attending the conference. Ms. O'Brien advised those who wish to attend to make a hotel reservation as soon as possible.

Mr. Stempeck made a **motion**, seconded by Ms. Bitá, that the Board approve Ms. O'Brien's travel to, and attendance at, the NEPPA Annual Conference to take place August 22-25, 2021, at the Westin Portland Harborview in Portland, Maine.

**Motion Carried 5:0:0.**

Roll call vote: Mr. Pacino, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; Chair Coulter, Aye; Ms. Bitá, Aye.

**Review the Board of Commissioners Meeting Agenda Format**

Ms. O'Brien stated that prior agenda formats were modified during the training sessions on Policy 30 to match the Town of Reading and modified again for this meeting. Ms. O'Brien sought confirmation on how the meetings will be structured going forward. Ms. O'Brien noted that she attended Zoom legislative meetings recently. As questions arose, the public would write comments/questions in the chat and at the end of each presentation the Chair would read the questions. Ms. O'Brien proposed that we hold questions for the end of each presentation. Mr. Pacino asked for Commissioner feedback and noted that other than allowing the public in, there is nothing that needs to be revised.

**Recommendation to Review General Manager's Goals**

Ms. O'Brien recommended that there be a separate meeting to discuss the General Manager's goals, as done last year, focusing specifically on the goals of the RMLD. Ms. O'Brien sent out her ideas for goals to the Board; economic and social justice; due diligence on power supply; and renewable non-carbon choice were the recommended goal additions.

Discussion followed on the quarterly review schedule of the annual goals. Mr. Stempeck recommended that the Board and GM get back on a quarterly schedule; Mr. Pacino agreed the first check-in can be scheduled for the end of June, and the second at the end of September.

Mr. Talbot commented that the Board can check in on the goals quarterly and annually, but the evaluation is also based on everything that happens in the year, not just the few goals.

Chair Coulter asked; if the Board has suggestions, how is that communicated with Open Meeting law? Mr. Pacino responded that to add "not for deliberation"; other commissioners should not respond. There have been issues with the BOS and Open Meeting Law emails, and the Board needs to be cognizant of that.

6. Review of Policy 19: Board of Commissioners – Ms. O'Brien, General Manager

Materials: RMLD Policy 19: Board of Commissioners (Draft, Revision 15) *Presentation, PDF Document*

Ms. O'Brien reported on the proposed modifications to Policy 19: Board of Commissioners. Ms. O'Brien noted that a few months ago, the RMLD made a modification to Policy 19 for the OPEB Trust so the Town of Reading could work on submitting the Trust into PRIT for investments. To do this, the RMLD had to remove some of the OPEB language in Policy 19 that was conflicting with Policy 8. This new version reflects overall operations, committees, etc. It was noted that due to email formatting difficulties the commissioners were unable to see the redline changes on Policy 19.

**Discussion 2021 Policy 19 Changes**

Ms. O'Brien reported on the Policy 19 modification highlights: clarifying Open Meeting Law; clarifying remote and executive session; appointing a Board member to attend MEAM; switching to a calendar year and aligning the General Manager with that schedule; clarifying the outside services update; modifying public comment verbiage; modifying language to reflect a General Manager Annual Presentation for each of the towns; clarifying TFA and Power Supply under Policy 30; clarifying Board attendance at different conferences; The addition of various redlines cleaning up incomplete sentences and upgrading verbiage on ethics and dissemination of information etc.; adding a separate attachment which outlines the current committees and resolution of the dissolved GM Committee; updating the GM goals and evaluation to take place in open session; adding the Audit Sub Committee.

Ms. Bitá asked a question to clarify Board Members contributing in any form to civic, charitable, and benevolent or other similar organizations (Section 7, Letter J). Mr. Pacino responded that the Commission cannot give ratepayers' money to charitable organizations. A

discussion followed regarding Board contributions to 501C3 charitable organizations verses individual contributions. Ms. O'Brien commented that she will add more clarification to the language on this section.

Chair Coulter asked a question regarding the BID. If BID was deemed a charitable organization how would this conflict with a Board member who is a property holder inside of the BID area? Ms. O'Brien responded that by law RMLD is not allowed to be a part of the BID. The RMLD by statute can not contribute to a 501C3. Chair Coulter noted that as property owner inside of the BID, he feels that this is not a good decision for the Board, as the Board should have a say on what happens in that space. Ms. O'Brien noted that the way the RMLD can contribute to those types of economic development is through the bottom-line. Ms. O'Brien cited the example of the Island at the End of Ash Street and noted that the PILOT to the town is the money that would be appropriated to create an economic development. Ms. O'Brien noted that the RMLD wants to support the concept of the BID goals, but the department's economic development support must be in certain types of programs. If the BID is looking for electric vehicle charging stations to be in downtown as that would improve economic development; the RMLD can help create programs as long as the money that RMLD is contributing is directly related to RMLD business under the statutory laws. Chair Coulter noted that by not being a member of the BID, someone might be dictating or have plans for your property that you are not engaged with. Ms. O'Brien noted that economic development of the Ash Street Area is different than for BID.

Mr. Talbot made a recommendation to add a sentence under goal setting, stating that the Board will look at all the duties and responsibilities that fall under the General Manager's responsibility, including the goals that result in the performance evaluation. Mr. Talbot further suggested implementing a written system where the Board sends in something that is part of the record. Mr. Talbot commented on the powers of the Board and the procedure around contracting, bids, and voting. When does something come to the Board and when does it not?

Mr. Talbot noted that following this meeting he would send out any comments and proposed sentences to the Board for review.

There was no vote taken on *Policy 19: Board of Commissioners* at this meeting.

7. Integrated Resources Report - Mr. Phipps, Director of Integrated Resources

*Materials: Intergraded Resources Report – dated June 3, 2021 Presentation, PowerPoint.*

Mr. Phipps stated that the RMLD is presenting a third Hydro Power Supply opportunity; currently referred to as Plant #4 located in Eastern New York (*Slide 3*). Currently, hydro supply is just under 8% of RMLD's total portfolio. With the addition of this Hydro opportunity including the two previously approved Hydro projects, RMLD's hydro portfolio will be approximately 24% during the next several years. In subsequent BOC/CAB meetings, the RMLD will be presenting the growth forecasts for RMLD load. The department is targeting a portfolio mix with Hydro roughly around 20%; to manage supply risk and meet renewable/non-carbon compliance of the Climate Bill. Plant #4 is another Gravity project. Gravity. They manage 17 different hydro projects in the eastern part of the United States. This hydro plant was originally a mechanical facility and has been in place for nearly 200 years. The location is being referred to as Plant #4 because Gravity asked the RMLD not to provide the name, however the department does know the location. Gravity has been operating this plant for quite some time, and their contract on the plant is expiring. Gravity is negotiating to purchase this asset and plans to continue to manage and operate it. This transition is another opportunity for RMLD to pick up the power supply contract.

This supply opportunity is of interest to RMLD for the following reasons: The project has a massively wide surface area across a large body of water. This means that it can be more consistent in terms of power generation. There are no known environmental issues, partly because of age and partly because these hydro plants go through extensive regulatory process at the federal, state, and local level. As a result, they are all extremely well documented. Plant #4 will be up for a FERC renewal or relicensing in a couple of years. The output is a nice size for RMLD (5% of the total load). It will have Massachusetts Class two

associated certificates. RMLD prefers to buy energy where the certificates are associated, as opposed to buying certificates on the open market. In terms of pricing, this contract is just slightly below the department's average renewable portfolio prices, including the other two hydro projects. RMLD has existing contracts with Gravity. They are a known entity to RMLD; they are well established, well known, passionate about hydro, the environment and are very experienced in terms of doing hydro projects. This project fits RMLD's cost profile, load profile, and has a low risk associated with it. The contract for this opportunity is 24.5 years. If approved by the Board the RMLD hopes to complete the due diligence and execute a contract late this summer. This opportunity will likely be the last Hydro for a while, as there are not many more Hydro's until some contracts expire.

Mr. Talbot asked is the location confidential now for business proprietary reason? Mr. Phipps responded that the location is in eastern part of New York State. The supply to RMLD will be picking up power in ISO New England. However, Gravity asked the department not to disclose the actual plant name at this point in time. Mr. Talbot asked why; Mr. Phipps responded that although Gravity has been operating the plant for quite some time, they are finishing the negotiation to acquire the plan.

Mr. Stempeck made a **motion**, seconded by Mr. Talbot, that the Board of Commissioners vote to accept the General Manager's recommendation to execute a contract after proper due diligence, with Gravity Renewables for energy, including associated certificates, from a hydro facility in New York, known as Plant #4 on the recommendation of the Citizens' Advisory Board.

**Motion passed: 5:0:0.**

Roll call vote: Chair Coulter, Aye; Mr. Pacino, Aye; Mr. Stempeck, Aye, Mr. Talbot, Aye; Ms. Bitz, Aye.

Mr. Phipps provided an update on the Dahowa Hydro Project. The RMLD has completed the due diligence including an independent third-party report on environmental and social due diligence. The report was a clean recommendation. This is of no surprise given the given the significant information available on this facility.

Mr. Phipps reported that there are five MLP's that offer a Renewable Choice Program (Belmont, Wellesley, Shrewsbury, Middleborough, Taunton). Each program is unique to reflect the power portfolio, the rate base characterization, and the size of those individual MLPs. The RMLD's annual sales are 651,000-megawatt hours per year, which makes RMLD the largest MA MLP; right below Taunton in the list on the chart. RMLD's portfolio is about 60% C&I, the balance being residential. Similarly, Taunton has a higher concentration of C&I in contrast to Belmont, Wellesley, and Middleton, who are primary residential; Shrewsbury is a mix.

Each of these towns has some form of program; all are opt in, and all have an additional cost. For example, in the case of Wellesley's Voluntary Program, the \$24 a month represents a full 100% renewable option. The idea behind the renewable choice for MLPs is to allow their ratepayers the opportunity to buy power that is 100% renewable as opposed to whatever threshold they're on.

In relation to the Wellesley's WECARE program, Wellesley reported that the program is primarily for putting funds towards future town projects. Only 15% of the program funds are allocated to purchase REC's and another 15% has been allocated to a smalltown solar project. The Wellesley *WeCare Program* is not the renewable program that RMLD is considering, instead, it is project funding mechanism. It is opt-out and the cost is not significant, approximately a 4% increase.

In contrast, the goal of the RMLD Renewable Choice Program is to offer an option for ratepayers that want to be either 100% renewable or non-carbon. It was proposed in previous meetings, that RMLD should offer both (renewable and non-carbon) because they are two different options. RMLD is working through the details; but both will likely be a one-year minimum commitment. Retiring MA Class 1 certificates would be different than non-carbon, as the non-carbon would have a mix of non-carbon certificates (EFECs up to MA Class



1s). The RMLD aims to ensure that these two choices are clear to the customers, so they understand what they're buying into. Program design will enable the RMLD to administer it fairly and efficiently, on an ongoing basis. To accommodate the variability of certificate value, RMLD is proposing a fixed rate for one year and then adjust annually, as needed. Due to the fact RMLD is retiring 23% of certificates this year, the goal is offer programs to fund from 23% to 100%, the remaining 77%.

In using a "retire more" model, funds that are collected from customers that want to be a part of the renewable or non-carbon choice, will be allocated toward retirement of a larger portion of the certificates that RMLD already has, certificates that the department would normally sell, instead of retire. This would be a good fit for residential. In using the "buy more" model the department would buy more certificates and then retire them on the behalf of the RMLD's customers. RMLD would then provide the customer with a different kind of credential, so they can fulfill their sustainability requirements at the corporate level.

Ms. Bitz clarified that in the first model (Slide 6) the department would sell 23% and retire the balance? Mr. Phipps clarified in that left hand column, the department is going to retire 23% of total certificates and then sell the balance.

Mr. Talbot asked; what's the magnitude of the revenue that comes in, in terms of the associated RECs?

Mr. Phipps responded that it's recently been about \$1,000,000 per year. Up until 2021, most of the certificates that were purchased, were sold. These were all associated with power purchases (associated certificates). The dollars from certificate sales were applied against purchased power costs. This netted out to be a neutral event, but roughly at a magnitude of \$1,000,000 per year. Due to the fact RMLD is not selling 23%, the amount of money not coming in could be around \$800,000, highly dependent on certificate prices. 2021 is the beginning of an upward path toward retiring more certificates; 3% more each year.

Mr. Phipps reported on the key financial drivers at Reading Municipal Light Department. There are five major blocks in the cost structure at RMLD, one of those being the operating cost (Currently 30-33%); which includes the equipment, all of the distribution network, labor, and anything within the RMLD territory that RMLD will manage and operate. Overtime, this operating cost will go down as a percentage of total costs, partially because of the compound annual growth rate (CAGR) of the other cost blocks is higher. RMLD's goal for the cost of energy, transmission, and capacity blocks is to manage these to be as low as possible, for the benefit of the rate payers. By 2025 certificates will grow to 5% of the budget, and this will increase to around 9% by 2029. This cost will grow over time (15% CAGR) because of the Climate Bill and RMLD's Policy 30 Rev 1, which requires RMLD to retire a higher percentage of certificates, each year. RMLD is managing the portfolio and looking for long-term contracts very aggressively. This is due to the limited number of non-carbon resources in RMLD's territory. Additionally, the regional load, due to the climate bill, will increase (as will the departments) and there is going to be increased competition for power supply sources. Certificate management is also going to become something that RMLD pays increased attention to, and actively manages.

Mr. Pacino asked a question regarding next steps. Mr. Phipps reported that RMLD is continuing to uncover new Power Supply; looking aggressively for wind and solar and working with ENE to secure a portion of the large-scale wind development offshore. In addition, RMLD is moving forward in renewable choice and will need to hold a discussion on opt in verses out in.

Ms. O'Brien stated that in the past five years the magnitude of certificates has fluctuated. At the next meeting RMLD will put together the last five years and project out on a graph so there is a clear understanding of the numbers.

Mr. Rogers made a comment commending the information provided by Mr. Phipps and suggested that RMLD and the Board may want to take this information and present to the

public as an easy way to understand RECs as well as to provide an update on what RMLD is currently doing.

8. RMLD Procurement Requests Requiring Board Approval - Mr. Jaffari, Director of Engineering & Operations

*Materials: RMLD Procurement Requests - IFB 2021 05 Station 3 Generator Replacement Award Letter Dated April 30, 2021 | IFB 2021 12 Tree Trimming Service Award Letter Dated May 28, 2021: (PDF Document, Board Packet).*

Mr. Jaffari reported the bid was sent to 24 companies, 7 respondents. RMLD has a generator at Station 3, which is used to supply power to the switchboard and switchgear during emergency conditions. Allocated in the CY2021 budget is \$80,000 for this project. Philips Electric was the only bid response that met all the requirements and did not take any exceptions. Every other bid response either took exceptions or did not meet the requirements.

Mr. Stempeck made a **motion**, seconded by Mr. Talbot, that bid 2021-12 for Station 3 Generator Replacement be awarded to: Phillips Electric, Inc., for \$66,000.00, pursuant to M.G.L., c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager.

**Motion passed 5:0:0.**

Roll call vote: Chair Coulter, Aye; Mr. Pacino, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; Ms. Bitá, Aye.

The Tree Trimming contract was under a 6-month extension and cannot be extended a second time per MGL. The bid was sent out to 11 companies, one respondent Mayor Tree Services. The remainder of the companies that received the bid did not respond.

Mr. Jaffari reported why the bid response rate was so low. The larger tree trimming companies maintain the necessary certifications and training for performing the electrical utility line clearance and tree trimming; these companies are supporting large IOUs. In addition, they are in California, for the wildfire at a higher pay rate. Increased regulatory requirements, major storms, wildfire, and invasive pests drove up the demand for tree trimming services. The low response rate was a result of the shortage of skilled labor in the field, partly due to COVID-19. Mr. Jaffari stated that the prevailing wages rates, compared to the last contract, has doubled. As a result, the overall cost gone up by 124% due to a change in classification in the Labor Standard Act. These factors resulted in the contract price coming in higher than the anticipated budget, which calls for an examination of tree trimming in the CY22 and CY23 budgets.

Ms. Bitá asked a question regarding the bid process; The bid was out for less than 30 days, but maybe a longer period would have helped more bids come in. Can you repeat what you said about California?

Mr. Jaffari responded that it seems the larger companies are sending their resources to west to assist with the California wildfires, where they are paid more for labor than in the East. Additionally, during COVID-19 a lot of companies lost their skilled workers, who went for other trades. Moreover, there are certifications involved with this type of work, and these laborers must be certified with OSHA/EAHP and must have the proper training. A lot of smaller companies do not want to invest that type of money. The department does not want to lower standards in the interest of safety because they need to work alongside RMLD staff during storms in an expedited and safe manner.

Ms. Bitá asked a follow up question; in other years, did you have one response? Mr. Jaffari responded that in previous years the department had more than one response for tree trimming bids.

Mr. Talbot asked a question on the change in annual amount; what was the change in the annual amount from what it used to be to what it is now under this new bid? Mr. Jaffari

responded the major change is that tree trimming workers are now paid by prevailing wages as previously they were not. The amount of the contract remained the same from previous years to this year (\$2.7m, 3-year cycle) However, In the last three years the department budgeted for 7,702 spans, and due to the labor increase this year the department is budgeting for 3,525 spans. Mr. Talbot responded, the cost doubled, and you see no way around it? Mr. Jaffari responded yes, unfortunately.

Mr. Talbot asked a follow up question, is there no way to bring contractors in house? Mr. Jaffari responded no, although RMLD can clear emergency lines (minor) there needs to be certain certifications in place for safety reasons and RMLD staff is not certified and equipped to do that type of work.

Mr. Stempeck made a statement around the equipment that is involved; if this was brought in house there would be a significant increase in capital RMLD would have to spend for both equipment and restrictions on where woodchips would be accepted. Mr. Stempeck noted that this motion needs to be move forward as the department's system reliability is a direct function of the trees getting cut. To put things into perspective, Chair Coulter noted his experience of how difficult it is to get tree trimming service and you do have to pay.

Mr. Stempeck made a **motion**, seconded by Chair Coulter that bid 2021-05 for Tree Trimming Services be awarded to: Mayer Tree Service, Inc., pursuant to M.G.L., c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager.

**Motion passed 5:0:0.**

Roll call vote: Chair Coulter, Aye; Mr. Pacino, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; Ms. Bitá, Aye.

#### 9. Policy 9 - Procurement Request - Mr. Hatch, Director of Information Technology

*Materials: RMLD New IT Production Environment with Disaster Recovery (DR) Backup Solution (dated June 3, 2021) Presentation, PDF, Board Packet*

Mr. Hatch reported on the background and importance of implementing the purposed RMLD New Production Environment with Disaster Recovery Project (*Slide 2*). Mr. Hatch reported that there is a need to upgrade the systems; the RMLD is getting close to compression levels that will not allow a nightly back up. The RMLD needs to secure a location outside of Massachusetts that will allow the department to have access to data at a moment's notice with an efficient turnaround time. This project would include a new production system, repurposing RMLD's older equipment, and putting it in Disaster Recovery (DR).

Mr. Hatch reported on the process of implementing the purposed RMLD New Production Environment with Disaster Recovery Project. RMLD will identify an offsite colocation, or very large data center. The RMLD would rent space from this location and repurpose RMLD's current environment. Once complete, the nightly backup would be sent out to the new location. After identifying the location, the RMLD will purchase two backup systems: one placed locally and one in the active disaster recovery site. The systems would encrypt and protect any data; this will allow RMLD to have good quality backups for at least 30 days onsite, which provided RMLD with protection in case of failure. The RMLD will purchase new productions servers and storage to ensure the current data is protected and that the RMLD continues to be protected for the next four to five years. With this new production environment RMLD will have the ability to scale and grow; currently, the department does not have that capability. The current equipment is no longer sold, and as of next year will no longer be supported.

The RMLD will utilize two different back-up systems: one locally and one in the disaster recovery facility. Every night the backup systems will replicate each other. The RMLD will have 30 days locally; this allows data to be saved and restored in the case of a virus, and further protects the RMLD from ransomware attacks.

The new Production Environment with Disaster Recovery Project was not budgeted. The RMLD discussed this internally and spoke to several experts. Mr. Hatch noted that he has

architected this type of project several times in the past, and feels it is necessary for RMLD and to future proof the systems. RMLD would need some external services to work with the IT team to help get this implemented.

Mr. Stempeck asked a question regarding companies who could outsource this for RMLD and the depreciation of the equipment. Mr. Hatch responded that the depreciation for laptops is generally three years, and this equipment would be about five. Mr. Stempeck asked a follow up question; did you do a comparison of going more to "outsourcing to the cloud" as opposed to RMLD purchasing the equipment and putting it in place? Mr. Hatch responded that RMLD did the due diligence on that, and has looked at several different vendors: AWS, Google, and Azure. Mr. Hatch responded that outsourcing these vendors was possible but the cost on average from an operating point of view would be around \$300K a year. Around a year and a quarter, RMLD would match that with by purchasing it outright and then would have the remaining three and a half years "free of charge" using a basic ROI calculation.

Mr. Stempeck asked if RMLD investigated Wasabi (Data Storage Company) founded by David Friend (Carbonite founder); Mr. Hatch responded that RMLD reviewed Gartner and Forrester and looked at the top ten people in that environment. Mr. Stempeck stated that Wasabi is mentioned by Gartner and is captured on their chart. Wasabi is about one half to one third of the cost of Amazon and they do not charge for acquisition of data or storage of the actual input and output of data, whether it's plugged compatible with Amazon. Mr. Stempeck noted that it may be interesting if RMLD can save a significant amount of money by doing something generic. Mr. Hatch stated that RMLD has investigated several alternatives to go into (Cloud vs. hybrid cloud) and concluded that the operation must be hybrid cloud.

Chair Coulter asked a question on connectivity; is there going to be new data connections, TLS lines that are going to have to go to these vendors? Are you going to have a recurring monthly fee, on top of this cost or is it incorporated into the cost? Mr. Hatch responded that it is incorporated into the cost, and the RMLD is working with Verizon to see if this can be incorporated into another purchase, which would be even cheaper. At this point, it would be a dedicated line direct connected to that DR location. Mr. Hatch noted the further away you are from your onsite location, the more cost associated. RMLD would look outside of New England, somewhere between 500 to 1,000 feet inland.

Mr. Stempeck made a **motion**, seconded by Chair Coulter that the Board of Commissioners authorize the General Manager to move forward with the RMLD New Production Environment with Disaster Recovery Project, as presented. Staff will solicit quotes from the State contract and award contracts for the project, not to exceed \$420,000 in CY2021. This un-budgeted project will be paid from the Depreciation and Operating Funds.

**Motion passed 5:0:0.**

Roll call vote: Mr. Coulter, Aye; Mr. Pacino, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; Ms. Bitz, Aye.

#### 10. Scheduling – Chair Coulter

Mr. Pacino noted that Monday night he, Messrs. Phipps, and Coulter attended the Board of Selectmen meeting and received an update on Green Communities. Mr. Pacino made a recommendation to review General Manager's Goals at the end of June 2021. The next regular session Board of Commissioners Meeting is scheduled for July 22, 2021. Mr. Pacino will be covering the July CAB Meeting.

#### 11. Executive Session – Chair Coulter

Mr. Stempeck made a **motion**, seconded by Chair Coulter, that the Board of Commissioners go into Executive Session pursuant to Massachusetts G.L. c.164 section 47D, exemption from public records and open meeting requirements in certain instances, to discuss competitively sensitive issues regarding options for power supply, and to consider the purchase, exchange, lease or value of real property, and return to regular session for the sole purpose of adjournment.

**Motion passed 5:0:0.**

Roll call vote: Chair Coulter, Aye; Mr. Pacino, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; Ms. Bitá, Aye.

12. Adjournment – Chair Coulter

The Board of Commissioners returned to regular session for the sole purpose of adjourning and promptly adjourned at 10:00 PM

**Motion passed 5:0:0.**

Roll call vote: Chair Coulter, Aye; Mr. Pacino, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; Ms. Bitá, Aye.

DRAFT



# Town of Reading Meeting Minutes

## Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2021-06-22

Time: 7:00 PM

Building:

Location:

Address:

Session: Open Session

Purpose: General Business

Version: Draft

Attendees: **Members - Present:**

Mr. Robert Coulter, Chair; Mr. Philip Pacino, Vice Chair; Mr. John Stempeck, Commissioner; Mr. David Talbot, Commissioner; Ms. Marlena Bitá, Commissioner

**Members - Not Present:**

**Others Present:**

RMLD Staff: Ms. Coleen O'Brien, General Manager; Mr. Hamid Jaffari, Director of Engineering & Operations; Mr. Greg Phipps, Director of Integrated Resources; Ms. Wendy Markiewicz, Director of Business Finance; Mr. Brian Hatch, Director of Information Technology; Ms. Janet Walsh, Director of Human Resources; Mr. John McDonagh, Assistant Director of Engineering and Operations; Ms. Kathleen Rybak, Operational Assistant to Engineering & Operations; Ms. Erica Morse, Executive Assistant

**Minutes Respectfully Submitted By:** Philip Pacino, Secretary Pro Tem

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## Topics of Discussion:

Due to the pandemic and the March 12, 2020, Governor's Executive Order Suspending the Certain Provisions of the Open Meeting Law, and the June 16, 2021, act extending certain covid-19 measures, all participants attended remotely.

### 1. Call Meeting to Order Chair Coulter

Chair Coulter called the meeting to order at 7:00 PM and read RMLD's Code of Conduct. Chair Coulter announced that this meeting of the Reading Municipal Light Department Board of Commissioners is being held remotely on Zoom and streamed live on RCTV and YouTube.

Mr. Pacino was the board secretary at the meeting.

### Introductions

Chair Coulter commented that anyone from the public who wishes to stay at the meeting can do so.

### General Administrative Items

Ms. Morse reported on various administrative items. The next Board of Commissioners Meeting will be Monday July 19, 2021, at 7:30 PM. Registration for the NEPPA 2021 Annual Conference is not yet open. During the July meeting there will be a discussion on whether the August meeting will be canceled due to the NEPPA conference.

2. Review Of GM/RMLD Commissioner Goals - Coleen O'Brien

**Updated 2021 General Manager's Goals, Board and General Manager approved discussion below.**

1. Continue with due diligence to determine alternative Wilmington substation land and proceed towards securing all necessary permits, regulations, transmission interconnections, easements, etc.
2. Develop IT integrated roadmap and implement all NERC mandated cyber and physical security requirements.
3. Complete Class Cost of Service Study/Rate Study and make a formal presentation on rate restructuring.
4. Achieve APPA RP<sub>3</sub> best utility practices and Reliability Excellence Award (safety, process, compliance, work force development, etc.)
5. Conduct both inside and outside expertise training on current portfolio strategy: Clean Bill proposals and impacts.
6. Achieve Policy 30 update through Board definition of energy policy, definitions, percentage goals, and a vote on position of relevant elements of state law.
7. Recommend a new Renewable and/or Carbon-Free Choice Program.
8. Commence Union Contract Negotiations – all 3 unions – notification per the CBAs will go out in August.
9. Generate Environmental Due Diligence Operating Procedure to be submitted with each non-carbon power supply opportunity request.
10. Establish Operating Procedure to implement State's Social Justice policy on power generation sites, etc.
11. Hire a consultant to develop an employee survey to be conducted early 2022. Commission to review and recommend adjustments to the question list and survey process in advance.

**Discussion 2021 General Manager's Goals:  
Suggested Changes**

Mr. Talbot suggested the addition of an overarching goal to the proposed 2021 list, in written comments, as follows: Perform with excellence in carrying out all the duties and responsibilities of the General Manager.

Discussion followed in consideration of including the additional suggested goal. Ms. O'Brien noted that the overarching goal is already inherent in the contract language; the General Manager is expected to perform with excellence and run the company. Mr. Stempeck commented that he agrees with the General Manager, as excellent is a subjective term; how does the RMLD put that into something concrete? If this is already in the contract, then why does the RMLD have to enumerate it here? Mr. Talbot commented that he is fine to go back on his suggested goal addition, if Policy 19 is reexamined and will clearly communicate that the General Manager evaluation encompasses more than just the goals.

The Board and General Manager agreed that the suggested goal would not be included in the 2021 General Manager's Goals; Mr. Talbot withdrew his suggested goal.

**Goal 2: Develop IT integrated roadmap and implement all NERC mandated cyber and physical security requirements.**

There were no comments or changes to the suggested General Manager Goal.

**Goal 3: Complete Class Cost of Service Study/Rate Study and make a formal presentation on rate restructuring, including new Renewable and/or Carbon Choice Rate.**

Ms. O'Brien noted that Mr. Phipps recently provided an update on the direction RMLD is heading with Renewable and Non-Carbon Choice; including what is happening at other MLPs. At the next meeting the RMLD plans to make a recommendation to the Board. At the same time, the Department is dovetailing that into the Class Cost-of-Service Study (COSS)

**Goal 4: Achieve APPA RP3 best utility practices and Reliability Excellence Award (safety, process, compliance, work force development, etc.).**

Mr. Talbot provided a comment in written feedback and noted that his intention was to understand if this goal was kept on as part of the record or if RMLD was planning to get the award again in 2021. Ms. O'Brien noted that this is a significant goal to achieve with a tremendous amount of work put into it. To submit for this award, the RMLD team had to develop safety programs, worker procedures, etc. that were not already in place. The submission to APPA was significant to meet the criteria.

The Board and General Manager agreed that Goal 4 remain on the 2021 General Manager's Goals.

**Goal 1: (Taken Out of Order): Continue with due diligence to determine alternative Wilmington substation land and proceed towards securing all necessary permits, regulations, transmission interconnections, easements, etc.**

Mr. Talbot suggested a modification to this goal in written comments; acquire through purchase or lease, alternative Wilmington substation land and proceed towards securing all necessary permits, regulations, transmission interconnections, easements, etc.

Ms. O'Brien stated that she cannot agree with the suggested change. Ms. O'Brien cannot guarantee that this goal will be met by the end of the year because RMLD does not own the land, and there are negotiations involved. The RMLD cannot commit to purchasing or leasing a piece of land that RMLD does not own. This is one of the highest priorities for the company currently. However, although the RMLD plans to accomplish this goal, there are various factors in play that are out of our control. Ms. O'Brien cited the example of the Town of Wilmington and Article 97.

Mr. Talbot commented that the RMLD and the Board have been discussing this for several years, and it is a critical path for reliability. Mr. Talbot's intent was to emphasize that the Board would like to get this done this year; acquiring through purchase or lease is goal, even if not achieved. Ms. O'Brien stated that all possible land options are vetted not just when purchasing but leasing as well.

Discussion followed on moving the Wilmington substation goal, as a number one priority to number one on the goal's list.

Ms. Bitá asked Ms. O'Brien to rank her top two goals in order of importance. Ms. O'Brien responded that the top priorities are the Wilmington substation, the Union Contract negotiation, Policy 30, the Mass Climate Bill and the IT integrated roadmap. Ms. O'Brien noted that The RMLD and the Board need to be on the same page on how the RMLD and the Board proceed forward with the required changes to fill the open power supply contracts and this ties into additional goals. The IT integrated roadmap is particularly important to the security of the RMLD; not only to meet the required compliance to NERC on mandated cyber security because the RMLD is an electric company, but to protect against ransomware attacks. Ms. Bitá asked when something considered a goal verses normal course of business? Ms. O'Brien responded that getting the union contracts done is a normal course of action; the goals behind the strategy for it is considered "a goal" and will be discussed with the Board in executive session



The Board and General Manager agreed to move the Wilmington substation land goal to number one priority on the 2021 General Manager's Goals list.

**Goal 5: Conduct both inside and outside expertise training on current portfolio strategy: Clean Bill proposals and impacts**

Ms. O'Brien reported that this goal was completed in first half of 2021 by conducting training using outside consultants. This effort helped achieve the Policy 30 revision and approval.

**Goal 6: Achieve Policy 30 update through Board definition of energy policy, definitions, percentage goals, and a vote on position of relevant elements of state law.**

Ms. O'Brien reported that this goal was accomplished with the approval and execution of Policy 30.

**Goal 7: Recommend a new Renewable and/or Carbon-Free Choice Program.**

Ms. O'Brien reported that there were conversations from the Public around competitive or low pricing and Renewable/Carbon choice programs. These considerations need to be a part of Policy 30 with the Mission Statement update if that is the pleasure of the Board.

Mr. Talbot suggested a modification for the goal to state: Renewable "and/or" Carbon-Free Choice Program. Ms. O'Brien suggested, "Recommend a new Renewable and/or Carbon-Free Choice Program."

The Board and General Manager agreed that the suggested modification be included in the 2021 General Manager's Goals.

**Goal 8: Commence Union Contract Negotiations – all 3 unions – notification per the CBAs will go out in August.**

Ms. O'Brien noted that this goal will be discussed in the next meeting's executive session.

**Goal 9: Generate Environmental Justice Operating Procedure to be submitted with each non-carbon power supply opportunity request.**

Ms. O'Brien requested feedback and input on this goal. Ms. O'Brien noted that when the first Gravity hydro was presented, the RMLD was asked to speak about the environmental justice. Mr. Underhill investigated the matter; the RMLD provided a write up. Ms. O'Brien is recommending a more formal process surrounding both the social and environmental justice procedure. Ms. O'Brien noted that the RMLD will hire an outside consultant to perform the environmental justice report, and this will be attached to any renewable or non-carbon project brought to the Board. This is in addition to the social justice that the state performs.

Mr. Talbot suggested deleting this goal; Mr. Talbot noted he does not believe that the RMLD needs to hire an outside consultant to do the due diligence on every non-carbon. The fossil sites or biomass are more likely to be subject to the need for this type of due diligence but not necessarily solar or hydro.

Mr. Stempeck noted that recently he has read information on pushback that is happening on solar arrays; he is concerned that someone will be upset somewhere about whatever it is that is happening. Mr. Stempeck stated that the RMLD needs to look outside because if it is done internally, it will be biased. It would be well worth trying to contract with someone that does this professionally and can do a quick job with a justifiable and defensible answer in the court of law or public opinion.

Ms. O'Brien noted that the RMLD just completed one and it was worth its weight in gold due to the unknown implications. These companies look at all the background and vet the project.

Discussion followed on the term "environmental justice" to be taken out of Goal 9. Mr. Pacino suggested to replace it with "Due Diligence." The Board and General Manager agreed to this suggestion.

**Goal 10: Establish Operating Procedure to implement State's Social Justice policy on power generation sites, etc. on the 2021 General Manager's Goal List.**

The Board and General Manager agreed that the State's Social Justice policy will be adhered to by the RMLD implementing a procedure to ensure that the RMLD matches the state requirement. The RMLD will address this when submitting these projects for approval.

**Goal 11: Hire a consultant to develop an employee survey to be conducted early 2022. Commission to review and recommend adjustments to the question list and survey process in advance.**

Mr. Talbot suggested the following modification to this goal in written comments: "Hire consultant to conduct employee survey. Commission to review and approve question list and survey process in advance. Commission to determine timetable following appropriate deliberation."

Extensive discussion ensued on the choice of consultant, the survey outcomes, the best practice of implementing the survey, the Board's role in the survey, and the project timeline.

Ms. O'Brien noted that she does not believe this could get completed by the end of the year, and it was at Chair Coulter's suggestion to include the timeline of early 2022. Ms. O'Brien appreciates the feedback.

Mr. Pacino commented that he had an issue with the word "approve" in Mr. Talbot's suggested modification. Mr. Pacino stated that the only justification the Board has under state law is over the General Manager, there is no jurisdiction over anyone in the department. Mr. Pacino suggested to change the word approve to "recommend."

The Board and General Manager agreed to incorporate the suggested change to the goal as follows: Hire a consultant to develop an employee survey to be conducted early 2022. Commission to review and recommend adjustments to the question list and survey process in advance.

Mr. Pacino made a **motion**, seconded by Mr. Talbot, to approve the 2021 proposed goals to the General Manager items 1-11 only as edited during this meeting.

Roll call vote: Ms. Bitz, Aye; Mr. Pacino, Aye; Mr. Talbot, Aye; Mr. Stempeck, Aye; and Chair Coulter, Aye.

**Motion carried 5:0:0.**

Ms. O'Brien agreed with the 2021 proposed goals to the General Manager items 1-11 only as edited during this meeting.

**Commissioner Talbot Suggestions:**

**Proposed Goal 12: Carry out the Ash Street site planning evaluation as described in March 2020 goals. (This is different than discussions re: Business Improvement District. It is about long-term planning)**

Mr. Talbot stated that the Board voted 5:0 to include the Ash Street site planning as a goal in March 2020. Ms. O'Brien noted that it was voted to put this on hold during COVID. This goal was put on because the Massachusetts Action Planning Committee (MAPC) had multiple discussions on how this area would be re-envisioned. The RMLD looked at land and building ownership on campus. Ms. O'Brien noted that would require more detailed direction.

Mr. Talbot noted that the intent of this is for the Board and General Manager to have a long-term plan of what to do with the real estate that is in the primary of downtown. What is the plan in the next fifty years or is it just improvements? Mr. Talbot suggested the Board meet with Reading Select Board to discuss the future of the Ash Street site; what would be the cost if RMLD moves all or part of the site?

Mr. Stempeck said with the Town of Reading having no plans set plan in place, and a scope that is not well defined, he would like the Town to provide that information prior to adding this as a 2021 goal. Currently, there are many items on the list; this should be placed on hold until the RMLD receives more information from the Town.

Mr. Pacino noted that this goal can be revisited as a Board goal instead of a General Manager Goal.

The Board and General Manager agreed that the addition of the suggested goal would not be included in the 2021 General Manager's Goals, and Mr. Talbot withdrew his suggested goal.

**Proposed Goal 13: Work with the four towns to promote Town process steps wherein new developments consider full electrification rather than expansion of gas infrastructure prior to final development approval.**

Mr. Talbot would like to try to promote Town process steps for when new developments come in that encourage the developers to consider full electrification rather than new gas infrastructure. The new projects downtown, a few blocks from our headquarters, have hundreds of new gas meters. Could developers have a meeting with the RMLD on how to electrify and have electric heating versus gas?

Chair Coulter noted that this is the biggest debate for developers right now. There are questions on handling load. Developers' base decisions on the economics of the project, and he does not see how the department would dictate any of this.

Ms. O'Brien noted that RMLD is part of the Town Design Review Team and gets to view the site plans up front. Ms. O'Brien has made recommendations in all four town about; having stanchions put in for EV when building and solar stanchions on roofs. However, the RMLD does not have a say in building code. The Green Communities Act, if adopted by the towns, that may assist in electrification.

The Board and General Manager agreed that the addition of the suggested goal would not be included in the 2021 General Manager's Goals, and Mr. Talbot withdrew his suggested goal.

**Proposed Goal 14: If lobbying activity on behalf of RMLD is proposed to be undertaken by any entity, provide positions and costs for prior approval by the Commission.**

Mr. Talbot suggested Goal #14 in written comments; and discussion ensued on lobbying activity on behalf of RMLD. Mr. Talbot noted that if lobbying activity on behalf of the RMLD is proposed to be undertaken, then the Board should know the positions are being lobbied for. The Board should be told what the positions are and approve them, even just verbally. The Board should be provided with monthly or quarterly reports.

Ms. O'Brien asked to clarify what type of lobbying this goal was referring to. Ms. O'Brien noted that there is lobbying on behalf of MLPs going on every day, all day, with all MLPs. Ms. O'Brien cited the example of the testimony provided by ENE, on her behalf, to make the existing bills on Green Communities.

Mr. Talbot commented that the Board was not made aware when the RMLD was lobbying for biomass and paid to lobby (directly or indirectly) for the Palmer Biomass plant (\$600) Mr. Talbot noted that as a Commission, the Board should have the opportunity to state if the

Board agrees with these positions. The Board may agree with 80% but there may be a time when, for example last year, if the Board knew what RMLD was paying to lobby for the Board may have had the chance to say that RMLD should not be lobbying for that.

Discussion followed on whether the proposed goal should be included in Policy 19 or as a goal.

Ms. O'Brien agreed to include the presentation of lobbying activity in Policy 19, quarterly. This will be included in the outside services presentation.

Mr. Stempeck stated that the RMLD covered the legal costs over the last few years in executive session and those expenses are decreasing. The Board is required to allow the General Manager to manage all operational aspects of RMLD and that includes choice of law firm, as well as, when there is a need for opinions and analysis. The Board needs to trust this excellent manager to do the right thing and abide by that. Under Policy 19 if the Board wants to review lobbying activity on a quarterly basis that is fine, but this should not be a goal, and the Board should not tell the General Manager how to micromanage the business.

Ms. Bitá asked why this could not be included as a goal and on Policy 19.

Mr. Coulter noted that the Board will move forward with the vote; Ms. O'Brien responded that she is not sure of what happens when the vote occurs, as the goals are supposed to be cooperatively agreed.

Ms. O'Brien noted that in the General Manager contract, it states that she must agree with the goals, and they must be attainable. Chair Coulter agreed that these goals should be collaborative.

Mr. Pacino commented that since Ms. O'Brien does not agree with this goal, the motion is probably out of order.

Chair Coulter noted that he is inclined to withdraw the motion, where the proposed goal can be moved into Policy 19. There will be a reporting mechanism on RMLD's lobbying activities.

Ms. O'Brien noted she was not objecting to this but asked for clarification (direct/indirect) on the lobby reporting, lobbyist or attorneys that lobby? Ms. O'Brien noted that this is a lot of work as how much potential lobbying could be done in the MLP sphere. Ms. O'Brien noted that she is not objecting to this but would like clarification.

Mr. Talbot commented that RMLD presents monthly reports on items such as how many poles were replaced each month, whereas with the big policies the Board does not have the visibility of what the department is fighting for or against.

Chair Coulter asked if there any objections with this goal going to vote from Ms. O'Brien; Ms. O'Brien responded no.

Mr. Pacino proposed an amendment to the motion to change the verbiage from monthly to quarterly.

Mr. Talbot made a **motion**, seconded by Ms. Bitá, that the General Manager shall provide a quarterly report on lobbying done on behalf of the RMLD.

Roll call vote: Mr. Talbot, Aye; and Ms. Bitá, Aye; Mr. Stempeck, Nay; Mr. Pacino, Nay and Chair Coulter, Nay.

**Motioned failed 2:3:0.**

Mr. Pacino noted that he would like this to see this be added to Policy 19; that is the direction he is giving to the Department.

**Updated 2021 Board of Commissioner's Goals, Board approved after discussion below.**

**Goal 1: Set long-term strategy and continue policy review while fostering a productive, healthy, and cohesive environment through Board interaction that supports the continued success of the RMLD.**

No discussion was held.

**Goal 2: REVIEW MISSION AND VISION STATEMENTS: With GM and public input, the board shall review, update, and vote on the mission and vision statements.**

Mr. Talbot suggested in written comments to add "with public input."

Mr. Stempeck asked two questions to the Board; Is there a timetable for that and how will it occur; If the public, Board, and General Manger want to go different ways how do you resolve that, a vote? Mr. Talbot noted that RMLD would like to ensure that the public can speak at the meeting and have public input regarding out mission and vision statement.

Language was input after the word "input": "the Board shall."

**Goal 3: Convene joint public meeting with the Select Board and Town Planning staff to jointly discuss and share ideas on long-term Ash Street campus site planning.**

Mr. Talbot noted that the intention of this goal is to ensure that the Board and Town are communicating with one another. Chair Coulter commented that this suggested goal can be a goal for the Board. The Board can set up a meeting with the Town this year to see if there is a plan or updated timeline. From there, the Board can defer any type of strategy until it is appropriate.

**Goal 4: Continue participation in RMLD sponsored and other relevant community events.**

No discussion was held.

Mr. Talbot made a **motion**, seconded by Ms. Bitá, to approve the four 2020/2021 Board of Commissioners the goals as presented.

**Motion carried: 5:0:0.**

Mr. Pacino, Aye; Mr. Talbot, Aye; Ms. Bitá, Aye; Mr. Stempeck, Aye; Chair Coulter, Aye.

**Mr. Talbot left the meeting at this point.**

**Goal Update – Quarterly Check In**

Ms. O'Brien discussed the annual goals review process. Ms. O'Brien reported that the General Manager Goals are supposed to be set the beginning of the year, but Policy 30 took precedent due to the Massachusetts Climate Bill.

Ms. O'Brien noted that the goal suggestions came from the content of the past Board meetings based on what the Board asked RMLD to prioritize. A quarterly check in should be occurring, where a discussion can be had on what has been completed, what has been worked on; if there is anything missing; to acknowledge accomplishments; and to provide feedback and assessment in a positive environment. In October, the department will do another update, which will be the sole focus of the meeting. Ms. O'Brien will resend the information presented by former Commissioners Dave Hennessy and Tom O'Rourke about best HR practices on executive reviews and quarterly check-ins.

Mr. Stempeck noted that the Board has been late doing the evaluation. Mr. Stempeck would like to get on a schedule to catch up and get check in on a quarterly basis. Mr. Stempeck

suggested a Board Goal for this year (to add later) that the Board call special meetings to stay on track with the evaluation of the General Manager.

Ms. O'Brien stated that she agreed to changing evaluation because her understanding was that there would be positive talk around accomplishments. The staff has worked on hard on managing these goals and prioritizing; but the RMLD staff needs more support from the Commissioners.

Chair Coulter stated that he would like to have a separate meeting in October to discuss the Goals.

Discussion ensued regarding the Board of Commissioners agenda guideline and schedule.

Ms. O'Brien suggested that the RMLD create a quarterly schedule where presentations will be on a rotating basis while still covering everything required in Policy 19. Required reports will be changed accordingly with the updates in Policy 19, and then quarterly schedule modified accordingly. Both these items will be presented as recommendations in July.

Ms. Bitá asked if the team was back in person at the Ash Street office, and Ms. O'Brien responded yes.

Ms. O'Brien will provide a rotational presentation schedule for RMLD Board meetings at the next meeting.

At 8:45 PM Mr. Pacino made a **motion**, seconded by Mr. Stempeck. that the Board of Commissioners adjourn regular session.

Roll call vote: Mr. Pacino. Aye, Mr. Stempeck, Aye; Ms. Bitá, Aye and Chair Coulter, Aye.

**Motion carried 4:0:0.** Mr. Talbot was not present for the vote

**CLASS COST OF SERVICE STUDY SUMMARY  
AND RATES PRESENTATION**

**ATTACHMENT 2**



# RMLD Rate Recommendations

**BOC / CAB Joint Meeting**

23 September 2021



# Outline

Goals and Objectives

Recommendation Summary

2022 Rate by Class

Renewable Choice

# Rates – goals and objectives

## goals

Design rates to **cover cost** of providing service

**Allocate costs fairly**, based on rate class characteristics

Provide funds for **efficiency and electrification incentives**

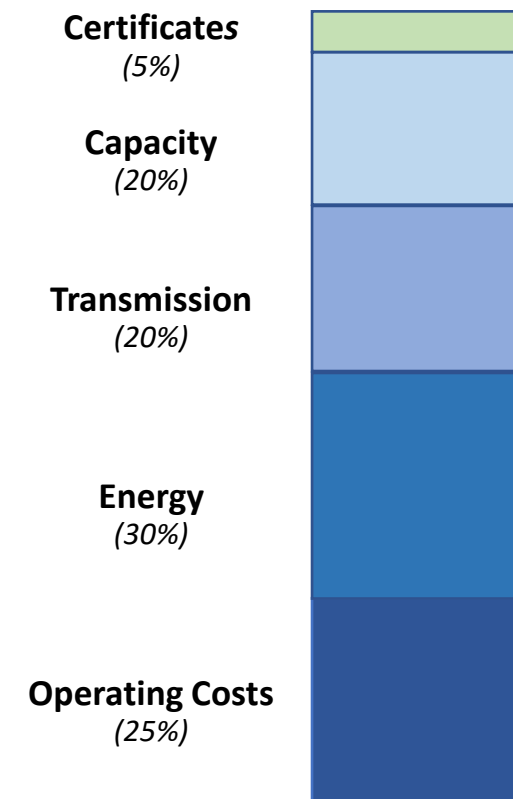
Offer customers better understanding and **control of energy use**

**Comply** with DPU, statutory and RMLD policies

## process (3-year horizon)

- 1) Clarify outcomes, behaviors
- 2) Forecast loads, retail sales by class
- 3) Forecast base costs and power supply pass through costs
- 4) Review cost drivers by rate classes
- 5) Allocate costs across rates classes
- 6) Refine allocations
- 7) Update rates

## 2025 expenses illustration



*Climate Bill compliance is a primary driver of upward rates*

# Desired outcomes

## *electrification*

Encourage **EV adoption**

Increase air-source **heat pump installations** in residential and commercial rate classes

Support stewardship / climate change policies

## *generation and load*

Increase **generation w/in territory** (solar for now)

Prompt load shift away from afternoon **peak hours** (4:00 – 6:00 pm)

Encourage EV charging during **overnight** (open load) hours

## *customer control*

Simplify billing; make **easier to understand**

**Equip** customers to affect their energy costs

# RMLD rate increase history

2018 was most recent rate increase – no rate increases since 2018  
Power supply costs were decreasing during 2018 – 2021



For information contact:  
Priscilla Gottwald  
Community Relations Manager  
781-942-6419 (Phone)

2016

## Press Release

### *RMLD rates to increase by approximately 5%-7% July 1*

**Reading, MA, June 1, 2016** - Reading Municipal Light Department's (RMLD) Board of Commissioners voted 4-0 at its regular board meeting on May 26 to increase rates by approximately 5-7%.

RMLD analyzes its Cost of Service on an annual basis and its projections and reconciliations on a monthly basis. A revised six-year plan is produced. RMLD and the Town Managers/Selectmen meet biannually to enable RMLD to present and summarize any key components that would contribute to a rate increase affecting the subsequent budget process. A preliminary estimate of 7-9% was presented at the fall meetings. This provides preliminary data for town budget preparation.

As the spring rolls around, RMLD has more actual data available with respect to New England projected transmission and capacity costs, along with a completed review of RMLD expenses. This new information reduced the preliminary estimate to 5-7%.



For information contact Joyce Mulvaney  
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[www.rmlid.com](http://www.rmlid.com)

FOR IMMEDIATE RELEASE  
June 15, 2018

2018

## Press Release

### *RMLD Rates to Increase 0.5-2.4% Effective July 1st*

**Reading, MA** - At its regular Board meeting held on Thursday, May 9, 2018, Reading Municipal Light Department's Board of Commissioners voted 4-0-1 to increase rates effective July 1, 2018. Specific rate increases depend on rate class and usage, and are estimated to be 0.5-2.4%.

Last year, RMLD performed a formal cost of service study as part of its rate setting process. One of the main objectives resulting from the study was to adjust subsidies between and within classes of customers to reflect the true cost of providing service, and to phase these adjustments in over a five-year period to minimize impact on customers. The current rate increases consist of a nominal base rate increase across the rate classes, plus adjustments for only some of the rate classes for said subsidies. The process to adjust rates to reflect cost of service began in 2017 and will continue through 2021.

Rate adjustments for medium sized customers are estimated at 1.75% for municipal, commercial, and industrial customers, 2.1% for schools, 2.3% for residential customers, 1.9% for industrial time-of-use customers, and 1.8% for residential time-of-use customers.

Residential customers using an average of 750 kilowatt hours (kWh) monthly are expected to see an increase of approximately \$2.82/month. Monthly increases will vary based on the amount of electricity used.

"Other than said subsidies, the base rate portion of the increases are primarily due to wholesale purchased power costs. While capacity costs have begun to level out for now, transmission costs continue to increase in the Northeastern Massachusetts wholesale energy market," said Coleen O'Brien, General Manager of RMLD. "RMLD continues to address these costs through our Shred the Peak educational program as well as our Solar Choice program, which provides a minor offset to wholesale electricity needs. RMLD is also planning the installation of a battery storage unit to be co-located at an RMLD substation with our new peak shaving generator. Both units will be used during expensive peak

# Overview 2022 rate recommendations

<i>rate</i>	<i>description</i>	<i>change</i>	<i>note</i>
247	F Municipal Street Lighting Schedule F Formula Rate	no change	transition to LED's nearly complete; likely delisted in early 2022
275	Backup and Standby Rate	no change	
277	EVSE Electric Vehicle Supply Equipment Schedule EVSE Rate	no change	
285	G Cooperative Resale Schedule G Rate	no change	
287	Commercial/Industrial Customer-Owned Generation	no change	
289	D Private Street Lighting Rate Schedule D	no change	
290	Municipal LED Street Lighting Rate	no change	
288	PPCT Purchase Power Capacity and Transmission Charge	market	flat 2022; ~4% annual increase through 2025
291	Fuel Standard Fuel Charge Clause	market	2% increase 2022; flat 2023; ~8% increase 2024-2025
292	EEC Efficiency Electrification Charge	200%	\$0.001 / kWh to \$0.003 / kwh ; approved August 2021
279	A <b>Residential Schedule A Rate</b>	4.9%	distribution, EEC
280	A2 Residential Time of Use Schedule A2 Rate	4.5%	distribution, EEC
283	I TOU <b>Industrial Time of Use Schedule I Rate</b>	3.7%	demand, EEC
282	C <b>Commercial Scheduled C Rate</b>	3.9%	EEC
284	SCH School Schedule SCH Rate	1.8%	EEC
286	Residential Customer Owned Generation Under 20kW	revised	buyback doubled; facilities added; neutral net change
295	Solar Choice	revised	start-up fee for new participants dropped from \$60 to \$30
293	A3 A3 residential TOU	new	approved August 2021
294	Renewable Choice	new	under discussion

*distribution (growth) and EEC (electrification) drive 2022 rate increase*

# Summary changes to primary rate classes - 2022

context  
2021 - 2025

Market prices (energy, capacity, transmission, certificates) increasing starting 2023  
Accelerated by Climate Bill

2021-2027 Power Supply Budget					
	2021 est	2022 budget	2023 budget	2024 budget	2025 budget
Fuel Costs	\$ 28,680,382	\$ 30,535,452	\$ 30,057,404	\$ 32,191,101	\$ 34,437,918
Certificates	\$ (2,597,533)	\$ (4,013,095)	\$ (3,450,093)	\$ (3,624,220)	\$ (3,038,650)
NYPA	\$ (1,155,827)	\$ (1,057,302)	\$ (1,069,990)	\$ (1,082,830)	\$ (1,095,824)
Capacity	\$ 17,687,368	\$ 16,978,311	\$ 17,226,785	\$ 17,485,484	\$ 17,615,344
Transmission	\$ 17,778,179	\$ 18,457,184	\$ 19,695,561	\$ 21,030,760	\$ 22,459,234
<b>TOTAL</b>	<b>\$ 60,392,569</b>	<b>\$ 60,900,550</b>	<b>\$ 62,459,667</b>	<b>\$ 66,000,294</b>	<b>\$ 70,378,022</b>
annual delta %		0.84%	2.56%	5.67%	6.63%

~70% of total RMLD expenses

2022

total average monthly bill

	current	proposed	\$ delta	% delta
Residential A	\$ 119	\$ 125	\$ 6	4.9%
Residential TOU A2	\$ 103	\$ 107	\$ 5	4.5%
Commercial C	\$ 873	\$ 907	\$ 34	3.9%
Industrial TOU	\$ 20,111	\$ 20,864	\$ 753	3.7%
Municipal C	\$ 494	\$ 512	\$ 19	3.8%
School	\$ 3,878	\$ 3,948	\$ 70	1.8%

- Electrification pushing more investment in distribution network (support growth)
- For 2022 - Distribution network upgrades and EEC are primary rate increase drivers
- Capacity and transmission allocations not altered since rate payers have no influence on regional peak shift due regional utility solar growth driven by external policy shifts

# Residential A - 2022

Residential A	current	proposed	\$ delta	% delta
*Customer Charge	\$ 5.12	\$ 5.43	\$ 0.31	6.0%
*Distribution Energy	\$ 54.49	\$ 58.58	\$ 4.09	7.5%
*Distribution Demand	\$ -	\$ -	\$ -	0.0%
EEC	\$ 0.81	\$ 2.44	\$ 1.62	200.0%
Fuel Adjustment	\$ 32.48	\$ 32.64	\$ 0.16	0.5%
NYPA Credit Rate	\$ (3.63)	\$ (3.30)	\$ 0.33	-9.0%
Cap & Trans (PPCT)	\$ 38.68	\$ 38.64	\$ (0.03)	-0.1%
other	\$ -	\$ -	\$ -	0.0%
other	\$ -	\$ -	\$ -	0.0%
Prompt Payment	\$ (8.94)	\$ (9.60)	\$ (0.66)	7.4%
<b>Total Monthly Bill</b>	<b>\$ 119.01</b>	<b>\$ 124.83</b>	<b>\$ 5.82</b>	<b>4.9%</b>
Average Monthly kWh	812	812		
Average kW	NA	NA		



- Cover more of residential cost allocation
- Fund distribution network upgrades to support load growth

*With proposed rates, total average monthly bill up \$5.82 (4.9%)*

# Residential A2 (resi time of use) - 2022

Residential TOU A2	current	proposed	\$ delta	% delta
*Customer Charge	\$ 8.00	\$ 8.48	\$ 0.48	6.0%
*Distribution Energy	\$ 32.66	\$ 35.11	\$ 2.45	7.5%
*Distribution Demand	\$ -	\$ -	\$ -	0.0%
EEC	\$ 0.81	\$ 2.44	\$ 1.62	200.0%
Fuel Adjustment	\$ 32.18	\$ 32.34	\$ 0.16	0.5%
NYPA Credit Rate	\$ (3.63)	\$ (3.30)	\$ 0.33	-9.0%
Cap & Trans (PPCT)	\$ 38.68	\$ 38.64	\$ (0.03)	-0.1%
other	\$ -	\$ -	\$ -	0.0%
other	\$ -	\$ -	\$ -	0.0%
Prompt Payment	\$ (6.10)	\$ (6.54)	\$ (0.44)	7.2%
<b>Total Monthly Bill</b>	<b>\$ 102.59</b>	<b>\$ 107.17</b>	<b>\$ 4.57</b>	<b>4.5%</b>
Average Monthly kWh	812	812		
Average kW	NA	NA		



- Cover more of residential cost allocation
- Fund distribution network upgrades to support load growth

*With proposed rates, total average monthly bill up \$4.57 (4.5%)*



# Commercial C -2022



- Demand and EEC represent majority of increase
- Demand and EEC to cover Climate Bill electrification

Commercial C	current	proposed	\$ delta	% delta
*Customer Charge	\$ 8	\$ 8	\$ 0	6.0%
*Distribution Energy	\$ 118	\$ 124	\$ 6	5.0%
*Distribution Demand	\$ 187	\$ 203	\$ 16	8.5%
EEC	\$ 7	\$ 21	\$ 14	200.0%
Fuel Adjustment	\$ 274	\$ 275	\$ 1	0.5%
NYPA Credit Rate	\$ -	\$ -	\$ -	0.0%
Cap & Trans (PPCT)	\$ 326	\$ 326	\$ (0)	-0.1%
other	\$ -	\$ -	\$ -	0.0%
other	\$ -	\$ -	\$ -	0.0%
Prompt Payment	\$ (47)	\$ (50)	\$ (3)	7.1%
<b>Total Monthly Bill</b>	<b>\$ 873</b>	<b>\$ 907</b>	<b>\$ 34</b>	<b>3.9%</b>
Average Monthly kWh	6,848	6,848		
Average kW	23	23		

*With proposed rates, total average monthly bill up \$36 (4.1%)*

# Industrial I (all time of use) - 2022



- Demand and EEC represent majority of increase
- Demand to cover growth and EEC to cover electrification, both Climate Bill

Industrial TOU	current	proposed	\$ delta	% delta
*Customer Charge	\$ 39	\$ 42	\$ 2	6.0%
*Distribution Energy	\$ -	\$ -	\$ -	0.0%
*Distribution Demand	\$ 3,103	\$ 3,476	\$ 372	12.0%
EEC	\$ 201	\$ 602	\$ 402	200.0%
Fuel Adjustment	\$ 7,959	\$ 7,999	\$ 40	0.5%
NYPA Credit Rate	\$ -	\$ -	\$ -	0.0%
Cap & Trans (PPCT)	\$ 9,280	\$ 9,272	\$ (7)	-0.1%
other	\$ -	\$ -	\$ -	0.0%
other	\$ -	\$ -	\$ -	0.0%
Prompt Payment	\$ (471)	\$ (528)	\$ (56)	11.9%
<b>Total Monthly Bill</b>	<b>\$ 20,111</b>	<b>\$ 20,864</b>	<b>\$ 753</b>	<b>3.7%</b>
Average Monthly kWh	200,823	200,823		
Average kW	317	317		

*With proposed rates, total average monthly bill up \$753 (3.7%)*

# Municipal C - 2022

Municipal C	current	proposed	\$ delta	% delta
*Customer Charge	\$ 8	\$ 8	\$ 0	6.0%
*Distribution Energy	\$ 67	\$ 71	\$ 3	5.0%
*Distribution Demand	\$ 98	\$ 106	\$ 8	8.5%
EEC	\$ 4	\$ 12	\$ 8	200.0%
Fuel Adjustment	\$ 157	\$ 157	\$ 1	0.5%
NYPA Credit Rate	\$ -	\$ -	\$ -	0.0%
Cap & Trans (PPCT)	\$ 186	\$ 186	\$ (0)	-0.1%
other	\$ -	\$ -	\$ -	0.0%
other	\$ -	\$ -	\$ -	0.0%
Prompt Payment	\$ (26)	\$ (28)	\$ (2)	7.0%
<b>Total Monthly Bill</b>	<b>\$ 494</b>	<b>\$ 512</b>	<b>\$ 19</b>	<b>3.8%</b>
Average Monthly kWh	3,913	3,913		
Average kW	12	12		

- Distribution and EEC represent majority of increase
- EEC to cover Climate Bill electrification



*With proposed rates, total average monthly bill up \$19 (3.8%)*

# School - 2022

School	current	proposed	\$ delta	% delta
*Customer Charge	\$ 7	\$ 7	\$ -	0.0%
*Distribution Energy	\$ 384	\$ 384	\$ -	0.0%
*Distribution Demand	\$ 816	\$ 816	\$ -	0.0%
EEC	\$ 32	\$ 97	\$ 64	200.0%
Fuel Adjustment	\$ 1,287	\$ 1,293	\$ 6	0.5%
NYPA Credit Rate	\$ -	\$ -	\$ -	0.0%
Cap & Trans (PPCT)	\$ 1,532	\$ 1,531	\$ (1)	-0.1%
other	\$ -	\$ -	\$ -	0.0%
other	\$ -	\$ -	\$ -	0.0%
Prompt Payment	\$ (181)	\$ (181)	\$ -	0.0%
<b>Total Monthly Bill</b>	<b>\$ 3,878</b>	<b>\$ 3,948</b>	<b>\$ 70</b>	<b>1.8%</b>
Average Monthly kWh	32,175	32,175		
Average kW	108	108		

- EEC represents majority of increase
- EEC to cover Climate Bill electrification

*With proposed rates, total average monthly bill up \$70 (1.8%)*



# Renewable Choice - 2022

Offer 50%, 75%, and 100% options for rate payers

Additional to 26% that all RMLD ratepayers will pay in 2022

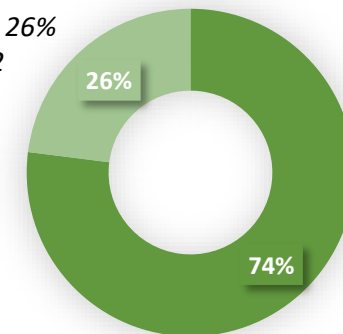
Funds retire most valuable (start w/ MA Class I) certificates above annualized line (*retire more*)

Fixed rate \$ 0.040 / kWh, adjusted annually

Available to all rate classes

Opt-in, minimum 1 year commitment

all ratepayers will contribute initial 26% per Policy 30 Rev1 during 2022



## Recommendation:

- a) Create new program Renewable Choice
- b) Offer 3 levels under one name for clarity
- c) Make opt-in
- d) Make effective January 2022
- e) Proactive rate payer communication

## 2022 scenario

<i>program option</i>	<i>proposed rate (\$/kWh)</i>	<i>increase to average monthly residential bill (\$)</i>	<i>increase (%)</i>
Renewable Choice (100% level; 74% add)	\$ 0.040	\$ 24.27	20.0%
Renewable Choice (75% level; 49% add)	\$ 0.040	\$ 16.07	13.3%
Renewable Choice (50% level; 24% add)	\$ 0.040	\$ 7.87	6.5%

Thank You

# **POWER SUPPLY SOLAR OPPORTUNITY**

## **ATTACHMENT 3**



# Power Supply – Solar PV



New array in Southern New England (~100 MW AC), built by D.E Shaw Renewable Investments (DESRI)

Renewable and non-carbon

Volume - ~27,000 MWh/yr for RMLD (~4% RMLD total purchases), dependent on other MLP participation

Term - 25 year, planned commissioned Q4 2024

Certificates - MA Class I

Pricing - low average of solar portfolio; 50% higher than RMLD portfolio average



**MATERIALS AVAILABLE BUT NOT DISCUSSED**

**From:** [Erica Morse](#)  
**To:** [Erica Morse](#)  
**Subject:** AP and Payroll Questions for the 21-09-23 Board of Commissioners Book  
**Date:** Tuesday, September 21, 2021 12:49:45 PM

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## AP

From August 13th through September 10th there were no Commissioner questions. On September 14th Commissioner Stempeck questioned RMLD's medical bill as well as a COVID Credit. A summary and explanation were provided.

## Payroll:

From August 16th through August 30th there were no Commissioner questions.

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**From:** Patti Cameron <[pcameron@rmlld.com](mailto:pcameron@rmlld.com)>  
**Sent:** Friday, September 3, 2021 9:04:18 AM  
**To:** John Stempeck <[john.stempeck@gmail.com](mailto:john.stempeck@gmail.com)>  
**Cc:** Steve Kazanjian <[skazanjian@RMLD.com](mailto:skazanjian@RMLD.com)>; Wendy Markiewicz <[wmarkiewicz@RMLD.com](mailto:wmarkiewicz@RMLD.com)>  
**Subject:** FW: ap invoices for pay date 9-14-21

Good Morning Mr. Stempeck,

Steve asked me to reply to your inquiry as I work closely with the Town Treasurer on this and all health insurance bill.

Without getting into too much math and detail, I will summarize how the general health bills work and this particular one as it included a big COVID credit.

- In general, the Town pays the entire MIAA bill for all the divisions, (ie school dept, RMLD, water dept).
- The RMLD reimburses the Town every moth for the 71% employer portion of the RMLD amount.
- Endri, the Town Treasurer puts the cover page together with the middle column amounts on the RMLD line being the amounts the RMLD pays.
- I go over Endri's calculation and Janet goes over the list of covered employees
- The bill (employer portion) is usually around \$100K +/-
- The July bill included a big COVID related credit that was awarded to both the employee and employer portions
- The back up that was included in the invoice packet was to support the amount due. It was complicated, but I went over it in detail with Endri.

Please let me know if you have any more questions.

Thank you,

***Patti Cameron***

*Senior Accountant  
Reading Municipal Light Department  
230 Ash Street  
Reading, MA 01867  
781-942-6452*

**From:** Steve Kazanjian <[skazanjian@RMLD.com](mailto:skazanjian@RMLD.com)>  
**Sent:** Friday, September 3, 2021 8:45 AM  
**To:** Patti Cameron <[pcameron@rmlld.com](mailto:pcameron@rmlld.com)>  
**Subject:** FW: ap invoices for pay date 9-14-21

**From:** John Stempeck <[john.stempeck@gmail.com](mailto:john.stempeck@gmail.com)>  
**Sent:** Thursday, September 2, 2021 7:17 PM  
**To:** Steve Kazanjian <[skazanjian@RMLD.com](mailto:skazanjian@RMLD.com)>  
**Subject:** Re: ap invoices for pay date 9-14-21

Steve, looks ok, but I don't understand the medical files. are we coupled with town of Reading? It is difficult to differentiate what is happening.

John Stempeck  
617-571-0369  
[john.stempeck@gmail.com](mailto:john.stempeck@gmail.com)

This email will be included in the 2021-09-23 Board Book

Town of Reading, Massachusetts  
Municipal Light Department  
Statement of Net Assets  
7/31/2021

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current:		
Unrestricted Cash	\$ 23,428,658	\$ 23,574,945
Restricted Cash	28,539,311	26,993,339
Restricted Investments	2,699,065	1,369,495
Receivables, Net	7,957,493	7,781,626
Prepaid Expenses	1,973,098	2,019,215
Inventory	1,799,668	1,881,279
<b>Total Current Assets</b>	<b>66,397,294</b>	<b>63,619,900</b>
Noncurrent:		
Investment in Associated Companies	874,495	802,474
Capital Assets, Net	84,260,801	81,882,509
<b>Total Noncurrent Assets</b>	<b>85,135,296</b>	<b>82,684,983</b>
Deferred Outflows - Pension Plan	5,360,409	8,102,116
<b>TOTAL ASSETS</b>	<b>156,892,999</b>	<b>154,406,999</b>
 <b>LIABILITIES</b>		
Current		
Accounts Payable	8,718,742	7,632,188
Accrued Liabilities	370,024	517,539
Customer Deposits	1,445,483	1,381,338
Advances from Associated Companies	200,000	200,000
Customer Advances for Construction	2,419,723	1,950,360
<b>Total Current Liabilities</b>	<b>13,153,971</b>	<b>11,681,426</b>
Non-current		
Accrued Employee Compensated Absences	1,968,355	2,471,374
Net OPEB Obligation	7,166,506	7,094,569
Net Pension Liability	12,054,935	14,610,001
<b>Total Non-current Liabilities</b>	<b>21,189,796</b>	<b>24,175,944</b>
Deferred Inflows - Pension Plan	2,652,103	1,964,276
<b>TOTAL LIABILITIES</b>	<b>36,995,870</b>	<b>37,821,645</b>
 <b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	84,260,801	81,882,509
Restricted for Depreciation Fund	8,852,356	6,853,491
Restricted for Pension Trust	6,598,960	6,365,431
Unrestricted	20,185,011	21,483,923
<b>TOTAL NET POSITION</b>	<b>119,897,128</b>	<b>116,585,354</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 156,892,999</b>	<b>\$ 154,406,999</b>

Town of Reading, Massachusetts  
Municipal Light Department  
Business Type Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
7/31/2021

	Month Current Year	Month Last Year	Year to Date Current Year	Year to Date Last Year	Percent Change
<b>Operating Revenues</b>					
Base Revenue	\$ 2,662,315	\$ 2,721,162	\$ 15,922,723	\$ 15,545,586	2.4%
Fuel Revenue	2,413,829	2,522,886	14,719,250	13,954,925	5.5%
Purchased Power Capacity & Transmission	2,932,873	3,126,178	18,959,474	18,437,554	2.8%
Forfeited Discounts	55,147	71,750	447,240	464,540	(3.7%)
Energy Conservation Revenue	59,731	62,541	372,597	362,034	2.9%
NYPA Credit	(88,438)	(100,241)	(697,300)	(697,625)	(0.0%)
<b>Total Operating Revenues</b>	<b>8,035,458</b>	<b>8,404,276</b>	<b>49,723,984</b>	<b>48,067,013</b>	<b>3.4%</b>
<b>Expenses</b>					
<b>Power Expenses:</b>					
547 Purchased Power Fuel	2,743,600	2,431,879	16,177,869	15,735,295	2.8%
555 Purchased Power Capacity	1,344,256	1,375,499	10,018,637	11,070,988	(9.5%)
565 Purchased Power Transmission	1,899,985	1,691,104	8,840,657	7,327,658	20.6%
<b>Total Purchased Power</b>	<b>5,987,841</b>	<b>5,498,482</b>	<b>35,037,163</b>	<b>34,133,941</b>	<b>2.6%</b>
<b>Operations and Maintenance Expenses:</b>					
580 Supervision and Engineering	74,480	93,259	586,832	589,999	(0.5%)
581 Station/Control Room Operators	35,524	41,650	277,773	284,746	(2.4%)
582 Station Technicians	19,673	43,054	346,793	235,831	47.1%
583 Line General Labor	38,336	48,463	341,457	333,056	2.5%
586 Meter General	13,586	5,491	98,489	84,050	17.2%
588 Materials Management	29,053	36,670	240,601	251,625	(4.4%)
593 Maintenance of Lines - Overhead	11,536	86,298	178,640	236,485	(24.5%)
593 Maintenance of Lines - Tree Trimming	131,233	44,034	280,570	243,279	15.3%
594 Maintenance of Lines - Underground	14,135	3,575	19,470	20,783	(6.3%)
595 Maintenance of Line - Transformers	6,179	27,309	82,318	87,526	(6.0%)
598 Line General Leave Time Labor	30,262	32,717	188,377	215,306	(12.5%)
<b>Total Operations and Maintenance Expenses</b>	<b>403,997</b>	<b>462,520</b>	<b>2,641,321</b>	<b>2,582,684</b>	<b>2.3%</b>
<b>General &amp; Administration Expenses:</b>					
903 Customer Collections	74,153	86,594	595,117	718,816	(17.2%)
904 Uncollectible Accounts	8,750	8,750	61,250	61,250	0.0%
916 Energy Audit	66,390	53,239	420,807	375,907	11.9%
916 Energy Conservation	68,977	92,782	820,507	471,709	73.9%
920 Administrative and General Salaries	144,165	204,566	1,098,815	1,241,173	(11.5%)
921 Office Supplies and Expense	3,117	502	8,832	3,896	126.7%
923 Outside Services - Legal	48,378	37,670	199,685	194,746	2.5%
923 Outside Services - Contract	28,692	53,907	172,049	159,256	8.0%
923 Outside Services - Education	1,200	3,705	11,621	26,390	(56.0%)
924 Property Insurance	33,111	29,739	262,633	234,690	11.9%
925 Injuries and Damages	10,335	2,535	21,919	30,837	(28.9%)
926 Employee Pensions and Benefits	350,371	427,212	2,106,973	2,401,771	(12.3%)
930 Miscellaneous General Expense	23,192	40,011	234,282	135,154	73.3%
931 Rent Expense	14,437	13,875	122,990	117,128	5.0%
933 Vehicle Expenses	23,154	36,206	194,989	114,342	70.5%
933 Vehicle Expenses - Capital	(23,606)	(34,173)	(200,886)	(191,296)	5.0%
935 Maintenance of General Plant	33,159	29,024	322,899	366,250	(11.8%)
935 Maintenance of Building & Garage	66,442	111,531	465,135	749,749	(38.0%)
<b>Total General &amp; Administration Expenses</b>	<b>974,416</b>	<b>1,197,676</b>	<b>6,919,617</b>	<b>7,211,767</b>	<b>(4.1%)</b>

Town of Reading, Massachusetts  
Municipal Light Department  
Business Type Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
7/31/2021

## Other Operating Expenses:

403 Depreciation	406,980	391,601	2,848,858	2,741,204	3.9%
408 Voluntary Payments to Towns	137,953	133,917	965,671	937,422	3.0%
Total Other Expenses	<u>544,933</u>	<u>525,518</u>	<u>3,814,529</u>	<u>3,678,626</u>	<u>3.7%</u>
Operating Income	124,271	720,080	1,311,356	459,994	185.1%

## Non Operating Revenues (Expenses):

415 Contribution in Aid of Construction					
419 Interest Income	16,493	23,684	107,486	208,092	(48.3%)
419 Other	38,064	38,009	616,835	692,782	(11.0%)
426 Return on Investment to Reading	(206,709)	(206,709)	(1,446,962)	(1,446,962)	(0.0%)
426 Loss on Disposal	-	-	-	-	0.0%
431 Interest Expense	(3,784)	(2,234)	(26,399)	(37,498)	(29.6%)
Total Non Operating Revenues (Expenses)	<u>(155,936)</u>	<u>(147,250)</u>	<u>(749,039)</u>	<u>(583,586)</u>	<u>28.4%</u>
Change in Net Assets	(31,664)	572,830	562,316	(123,592)	(555.0%)
Net Assets at Beginning of Year	119,334,812	116,708,946	119,334,812	116,708,946	2.2%
Ending Net Assets	<u>\$ 119,303,148</u>	<u>\$ 117,281,775</u>	<u>\$ 119,897,129</u>	<u>\$ 116,585,354</u>	<u>2.8%</u>

Town of Reading, Massachusetts  
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Business Type Proprietary Fund  
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	Actual Year to Date	Budget thru July 2021	Over/(Under) Budget \$	Over/(Under) Budget %
<b>Operating Revenues</b>				
Base Revenue	\$ 15,922,723	\$ 16,504,243	\$ (581,520)	(3.5%)
Fuel Revenue	14,719,250	16,271,765	(1,552,515)	(9.5%)
Purchased Power Capacity & Transmission	18,959,474	20,688,236	(1,728,762)	(8.4%)
Forfeited Discounts	447,240	541,920	(94,680)	(17.5%)
Energy Conservation Revenue	372,597	381,497	(8,899)	(2.3%)
NYPA Credit	(697,300)	(667,085)	(30,215)	4.5%
<b>Total Operating Revenues</b>	<b>49,723,984</b>	<b>53,720,575</b>	<b>(3,996,591)</b>	<b>(7.4%)</b>
<b>Expenses</b>				
<b>Power Expenses:</b>				
555 Purchased Power Fuel	16,177,869	15,604,680	573,189	3.7%
555 Purchased Power Capacity	10,018,637	10,317,631	(298,995)	(2.9%)
565 Purchased Power Transmission	8,840,657	10,370,605	(1,529,948)	(14.8%)
<b>Total Purchased Power</b>	<b>35,037,163</b>	<b>36,292,916</b>	<b>(1,255,754)</b>	<b>(3.5%)</b>
<b>Operations and Maintenance Expenses:</b>				
580 Supervision and Engineering	586,832	666,863	(80,030)	(12.0%)
581 Station/Control Room Operators	277,773	290,462	(12,689)	(4.4%)
582 Station Technicians	346,793	261,342	85,451	32.7%
583 Line General Labor	341,457	617,610	(276,153)	(44.7%)
586 Meter General	98,489	112,010	(13,521)	(12.1%)
588 Materials Management	240,601	265,979	(25,378)	(9.5%)
593 Maintenance of Lines - Overhead	178,640	325,967	(147,327)	(45.2%)
593 Maintenance of Lines - Tree Trimming	280,570	535,995	(255,426)	(47.7%)
594 Maintenance of Lines - Underground	19,470	47,189	(27,719)	(58.7%)
595 Maintenance of Line - Transformers	82,318	132,609	(50,292)	(37.9%)
598 Line General Leave Time Labor	188,377	261,262	(72,885)	(27.9%)
<b>Total Operations and Maintenance Expenses</b>	<b>2,641,321</b>	<b>3,517,289</b>	<b>(875,968)</b>	<b>(24.9%)</b>
<b>General &amp; Administration Expenses:</b>				
903 Customer Collection	595,117	565,477	29,640	5.2%
904 Uncollectible Accounts	61,250	61,250	-	0.0%
916 Energy Audit	420,807	350,828	69,979	19.9%
916 Energy Conservation	820,507	708,187	112,320	15.9%
920 Administrative and General Salaries	1,098,815	1,313,096	(214,281)	(16.3%)
921 Office Supplies and Expense	8,832	11,667	(2,835)	(24.3%)
923 Outside Services - Legal	199,685	289,917	(90,232)	(31.1%)
923 Outside Services - Contract	172,049	296,567	(124,518)	(42.0%)
923 Outside Services - Education	11,621	150,396	(138,775)	(92.3%)
924 Property Insurance	262,633	285,658	(23,025)	(8.1%)
925 Injuries and Damages	21,919	33,281	(11,362)	(34.1%)
926 Employee Pensions and Benefits	2,106,973	2,138,503	(31,530)	(1.5%)
930 Miscellaneous General Expense	234,282	295,336	(61,054)	(20.7%)
931 Rent Expense	122,990	123,667	(677)	(0.5%)
933 Vehicle Expense	194,989	226,683	(31,694)	(14.0%)
933 Vehicle Expense - Capital Clearing	(200,886)	(206,817)	5,931	(2.9%)
935 Maintenance of General Plant	322,899	270,535	52,363	19.4%
935 Maintenance of Building & Garage	465,135	544,527	(79,392)	(14.6%)
<b>Total General &amp; Administration Expenses</b>	<b>6,919,617</b>	<b>7,458,757</b>	<b>(539,140)</b>	<b>(7.2%)</b>

Town of Reading, Massachusetts  
Municipal Light Department  
Business Type Proprietary Fund  
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## Other Operating Expenses:

403 Depreciation	2,848,858	2,867,868	(19,010)	(0.7%)
408 Voluntary Payments to Towns	965,671	965,102	569	0.1%
Total Other Expenses	<u>3,814,529</u>	<u>3,832,970</u>	<u>(18,441)</u>	<u>(0.5%)</u>

Operating Income	1,311,356	2,618,644	(1,307,288)	(49.9%)
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## Non Operating Revenues (Expenses):

415 Contribution in Aid of Construction	-	175,000	(175,000)	(100.0%)
419 Interest Income	107,486	291,667	(184,181)	(63.1%)
419 Other Income	616,835	516,250	100,585	19.5%
426 Return on Investment to Reading	(1,446,962)	(1,505,295)	58,333	(3.9%)
426 Loss on Disposal	-	-	-	0.0%
431 Interest Expense	(26,399)	(26,250)	(149)	0.6%
Total Non Operating Revenues (Expenses)	<u>(749,039)</u>	<u>(548,629)</u>	<u>(200,411)</u>	<u>36.5%</u>

Net Income	<u>\$ 562,316</u>	<u>\$ 2,070,016</u>	<u>\$ (1,507,699)</u>	<u>(72.8%)</u>
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**From:** [Maureen Sullivan](#)  
**To:** [Erica Morse](#)  
**Cc:** [Paula O'Leary](#); [Jeanne Foti](#)  
**Subject:** Surplus Update - August 2021  
**Date:** Tuesday, August 31, 2021 10:55:18 AM

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Good morning Erica,

I am sending this email to inform you that there were NO Surplus Items of Substantial Value that were disposed of in August 2021.

Thank you,  
Maureen

*Maureen Sullivan*  
Assistant Materials Manager  
Reading Municipal Light Department (RMLD)  
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