



**READING MUNICIPAL
LIGHT DEPARTMENT**

BOARD OF COMMISSIONERS MEETING

REGULAR SESSION

WEDNESDAY, JANUARY 20, 2021

APPROVAL OF BOARD MINUTES

ATTACHMENT 1

June 18, 2020 Meeting



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-06-18

Time: 07:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

Attendees: **Members - Present:**

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

John Stempeck, Chair; David Talbot, Commissioner; Robert Coulter, Commissioner; Philip B. Pacino, Commissioner

Members - Not Present:

David Hennessy, Vice Chair

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Charles Underhill, Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance, and Utility Technology; Tracy Schultz, Executive Assistant

Jason Small, Citizens' Advisory Board

Karen Herrick, Select Board

Gail Page, Green Sanctuaries

Lynn Champion

James Satterthwaite

Minutes Respectfully Submitted By: Philip B. Pacino, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Chair Stempeck called the meeting to order and read RMLD's Code of Conduct. Chair Stempeck announced that the meeting is being videotaped via Zoom for distribution to the community television stations in North Reading, Lynnfield, and Wilmington.

Chair Stempeck asked Mr. Pacino to serve as Board Secretary.

Public Comment

Gail Page, a Woburn resident, introduced herself and explained that she is representing Green Sanctuaries, a church group. Ms. Page stated that many members of Green Sanctuaries and the Unitarian Universalist Church are residents in RMLD's service territory.

Monthly Meeting of RMLD Commissioner with Reading Select Board

Chair Stempeck proposed that a member of the Board attend the meeting of the Select Board each month and report on what is going on at the RMLD. Chair Stempeck explained that the intention is to foster a good working relationship between the two bodies.

Discussion on Renewable Energy

Mr. Talbot stated that he researched the carbon consequences of the power plants that are only activated at peak usage times. The plant in Ludlow burns Number Two heating oil, which has a carbon emission that is about 50 percent more per megawatt hour than natural gas. This means it is necessary to drive home the importance of the peak warnings that RMLD issues. Ms. Page expressed her enthusiasm for this idea. In terms of renewable energy, Mr. Talbot stated he would like to better what the definitions are of green, renewable, sustainable, and non-carbon, and to set a percentage goal and to understand the consequences in terms of cost of different options. This would include the impact on rates. Mr. Talbot stated he would like the public to tell the Commission what to do. Ms. O'Brien stated the chair of the Climate Action Committee met with her and Mr. Underhill and it was a very informative exchange. The meeting led to RMLD offering a rebate on electrical panel upgrades. Ms. O'Brien stated the meetings happen once a quarter and asked Ms. Page if she would be interested in attending. Ms. Page answered in the affirmative.

Approval of Board Minutes

Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board approve the meeting minutes of December 2, 2019, January 7, 2020, February 27, 2020 on the recommendation of the General Manger.

Roll Call Vote: Mr. Talbot: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Mr. Coulter: Aye.

Motion Carried: 4:0:0 (one absent).

General Manager's Report

Ms. O'Brien stated the sealing of the roof has been completed. The customer parking lot upgrade has provided more spaces and will allow RMLD to lock the back gate to comply with NERC. When RMLD had an OSHA audit done in February, it was determined that the wooden deck in the back of the building needed to be replaced. To save money, it has been converted into a patio. The stairs need to be poured and then that project will be completed.

RMLD Response to COVID-19

Ms. O'Brien stated the RMLD building is still closed to the public. Plexiglass shields have been installed around cubicles. There are red dot stickers on the floor to ensure proper social distancing.

Twenty-Year Agreement

Ms. O'Brien stated that Ms. Rybak has done a great job and that three of the four Towns have voted to extend the agreement. Lynnfield's next Town Meeting will be in the fall and the agreement will be voted on then.

Quarterly Goal Review

Chair Stempeck asked Ms. Schultz to coordinate a meeting time with the Commissioners to discuss Ms. O'Brien's goals.

Integrated Resources Division

Green Communities

Ms. O'Brien stated that towns that are interested in Green Communities can apply for the program. To qualify, the town served by the municipal light plant (MLP) must have one investor-owned utility (IOU) metered customer. However, all four towns served by RMLD would have to join and all four towns would need to have an IOU meter, or all four towns must pay into the trust. Each town would need to work with the state. The towns can request that RMLD help facilitate the location of an IOU meter. Typically, the MLP should know if there is an IOU meter in its territory. Because the RMLD falls under home rule of deregulation, IOU service of MLP customers should have been brought to the attention of the MLP by the customer or the IOU. RMLD asked National Grid and Eversource to run a billing inquiry. Eversource didn't show anything. National Grid hasn't responded yet. Ms. O'Brien stated the she and Chair Stempeck have a phone call with the

Integrated Resources Division Green Communities

Department of Energy Resources scheduled for June 23rd. Mr. Underhill provided an update on RMLD's new rebate programs, including adding electric panel upgrades to the heat pump program (at the Climate Action Committee's request), and the cordless yard equipment program.

Integrated Resources Power Supply

Mr. Underhill stated that all power supply costs are coming in below the budgeted amount due to the warmer-than-average winter. COVID-19 reductions have resulted in a 1.5 percent reduction in load: this is lower than the eight percent that was initially speculated. February capacity costs came in significantly lower than what was budgeted. Mr. Underhill stated that this is because RMLD makes a lump sum payment to Braintree for the Watson unit in February, and Energy New England put it in the budget-Mr. Underhill stated the issue with the relationship between budget and actual will be squared away. Mr. Underhill stated that because the loads have been down, peaks have been down, resulting in lower transmission expenses. Mr. Underhill reviewed the resource portfolio and explained that because the loads have been down, RMLD has been selling back to the market. Mr. Underhill then discussed RMLD's power supply: RMLD has engaged resources that fall under the Renewable Portfolio Standard or the Clean Energy Standard. The latter deals with carbon-free generation rather than renewable. Mr. Underhill explained fifteen percent of power supply is kept open as risk mitigation for market and price volatility. Mr. Underhill stated that the graph shows what the delivered price of energy would be if RMLD were to sell its RECs or retire its RECs. Currently, RMLD is able to keep its energy costs by selling the RECs at under \$40 a megawatt hour. This directly translates out to the retail price. If RMLD were to retire the RECs, the price goes to just under \$50 a megawatt hour, or five cents a kilowatt hour. That's a one penny increase to the retail rate, which would result in a 7.5 percent rate increase. That is the high and low end. This can change based on how many and which RECs are retired to meet the terms of the Golden Bill (once it is passed by the legislature). Mr. Underhill discussed the portfolio requirements of the Renewable Energy Standard, the Clean Energy Standard, and the Golden bill. The Golden Bill starts out with lower requirements but then has an accelerated slope that then catches up to the Clean Energy Standard. Mr., Underhill explained that selling RECs keeps costs down, which has allowed RMLD to be more aggressive about securing contracts going forward. This gives RMLD flexibility to meet and exceed the Golden Bill requirements. Mr. Underhill then discussed COVID-19 impacts on retail revenue. Base revenues for 2019 came in at \$26,766,465. 2020's projected retail revenues are \$25,975,909, which is a difference that is just shy of \$800,000. This is a net impact of a three percent erosion of revenue. The budget for 2020 was just over \$29 million. That's a difference of \$3 million and a ten percent impact. However, this is offset by a reduction of kilowatt hours purchased. Chair Stempeck remarked that the weather had a much larger impact than COVID.

Financial Update

Ms. Markiewicz explained that the financial audit is ongoing due to COVID. It has taken longer than usual but should be in draft form soon. Ms. Markiewicz included highlights of Calendar Year 2019, stating that RMLD finished the year with a 9.33 percent rate of return. This was 1.33 percent over the allowed eight percent. There are multiple factors that caused this: RMLD was under-budget, the weather was unusually mild which resulted in reduced costs, there are multiple job vacancies, the timing of energy conservation resources, the closing of construction jobs, and interest income all contributed to RMLD ending up under-budget. Ms. Markiewicz explained that RMLD looked at the Strategic Plan to determine what to do with those funds. It was decided to aid customers and transfer the \$1,077,737 to the Rate Stabilization fund. The Strategic Plan involves the balancing of multiple pieces, including the base revenue impact, the rate of return, funding the below-the-line Town of Reading obligation, funding capital projects, maintaining the Operating Fund at two to three months-worth of available cash, and maintaining the Rate Stabilization Fund balance. It was decided that RMLD will supplement any rate increase for Calendar Year 2021 by taking \$2 million out of the Rate Stabilization Fund. RMLD will continue to supplement a portion of the rate increase for CY 2022 and 2023 (approximately \$550,000 each year). RMLD will continue to stay on target for all capital projects. Ms. Markiewicz then discussed operating cash in relation to operating expenses: RMLD ended the year with almost three

Financial Update

months of operating cash. Ms. Markiewicz explained the Rate Stabilization fund started with \$7 million. RMLD added the \$1,077,000. There will be no change in CY 2020. Ms. Markiewicz emphasized that nothing is set in stone: the strategic planning can change. The Capital Fund balances were then reviewed. Mr. Satterthwaite asked if the 7.5 increase is on the total residential bill. Mr. Underhill affirmed.

Engineering and Operations Report

Mr. Jaffari began by discussing step-down upgrades in the North Main Street and Lowell Street area in Lynnfield. It is a large conversion project that involves 55 poles. So far 27 poles have been replaced and Verizon has been very cooperative. Mr. Jaffari then discussed pad-mount switchgear upgrades at industrial parks. Nine unites have been replaced: 20 more remain. Five units will be arriving in the summer. These provide power to commercial and industrial customers. Maintenance programs, including equipment inspections, were reviewed. Due to COVID, the only transformers that are currently being replaced are ones that don't require an outage. Systemwide, 38 percent of the transformers are over 25 years old. This doesn't mean the transformers will fail, but they are up for replacement. The new transformers are more efficient than the older equipment. Primary metering inspection and testing was reviewed. There are 85 installations systemwide: ten installations have been completed. A contractor will inspect the remaining installations. Through April, capital spending was \$2,047,259, with a total of \$11.5 million budgeted: \$9.5 million remains. \$2 million of that is for meter replacement and \$600,000 is for substation land. Double poles were discussed. RMLD's reliability was well below the regional and national averages (that is a good thing). The main cause of outages in May were storms and trees. Equipment failures are decreasing because the maintenance programs are working.

General Discussion

Meeting dates were discussed.

Adjournment

At 9:08 p.m., Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board go into executive session to consider the purchase of real property and to return to regular session for the sole purpose of adjournment.

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

Motion Carried: 4:0:0 (one absent)

At 9:18 p.m., Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board adjourn.

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

Motion Carried: 4:0:0 (one absent).

A true copy of the RMLD Board of Commissioners minutes
as approved by a majority of the Commission.

Philip B. Pacino, Secretary Pro Tem
RMLD Board of Commissioners

July 23, 2020, Minutes



Town of Reading Meeting Minutes

2016-09-22 LAG

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-07-23

Time: 07:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

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Purpose: General Business

Version: Final

Attendees: **Members - Present:**

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John Stempeck, Chair; David Hennessy, Vice Chair; David Talbot, Commissioner; Robert Coulter, Commissioner; Philip B. Pacino, Commissioner

Members - Not Present:

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Charles Underhill, Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance, and Utility Technology; Tracy Schultz, Executive Assistant

Jason Small, Citizens' Advisory Board

Karen Herrick, Select Board

Zackary Fentross, CPA, Melanson

Gail Page, 55 Montvale Avenue, Woburn, Chair of Green Sanctuary and Coordinator of the Greater Reading Alliance for Clean Energy (GRACE)

Lynn Champion, 8 Franklin Avenue, Wilmington, GRACE

James Satterthwaite, 8 Hunt Street, Reading

Geoffrey Coram, 31 Ridge Road, Reading

Jeremy Wahlman-Krogh, 175 Lowell Street, Reading

Tom Mottl, 93 Oak Street, Reading

Ann Mottl, 93 Oak Street, Reading

Tay Evans Rhoads, 59 Howard Street, Reading, GRACE

David Zeke, 163 Pearl Street, Reading

Martha Moore, 102 Sanborn Lane, Reading, Conservation Commission

Bruce MacKenzie, 102 Sanborn Lane, Reading

Caroline Whiting, 17 Chestnut Road, Reading

David Kay, 54 Pratt Street, Reading

Minutes Respectfully Submitted By: Philip B. Pacino, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Chair Stempeck called the meeting to order and read RMLD's Code of Conduct. Chair Stempeck announced that the meeting is being videotaped via Zoom for distribution to the community television stations in North Reading, Lynnfield, and Wilmington.

Chair Stempeck stated that Mr. Pacino would serve as Board Secretary and explained that public comment would open following the report of the audit committee.

Presentation of the Calendar Year 2019 Audit

Mr. Fentross introduced himself and explained that the financial statements are not presented on a comparative basis because the prior audit was for a six-month period. This was due to RMLD moving from a fiscal year ending June 30 to a calendar year ending December 31. Comparative financials will be presented starting with the December 31, 2020 audit.

Mr. Fentross stated that the RMLD had positive operating results for calendar year 2019, a well-funded OPEB trust fund, and no management letter. RMLD received a clean opinion, which is the best opinion that can be received from an independent audit and is the same opinion that the has been received in prior years.

While Ms. Schultz pulled up Mr. Fentross' presentation, Chair Stempeck had all meeting participants introduce themselves.

Mr. Fentross continued with his presentation and discussed the Statement of Net Position. The capital assets net of accumulated depreciation has a balance of about \$79,084,000, which is approximately a \$1.8 million increase from the previous year. The increase is primarily due to improvements in infrastructure. The Department spent \$6.5 million in total capital asset additions, but that was softened by \$4.5 million in depreciation expense, which leaves, which results in the \$1.9 million increase. Major capital asset additions that took place in calendar year 2019 included \$1.1 million for new poles and fixtures, \$2 million on overhead conductors, and \$1.3 million on underground conduit and devices. Mr. Fentross then discussed non-current liabilities. The net pension liability has a balance of about \$14,610,000 and represents the Department's portion (28 percent) of the total unfunded liability for the Reading Contributory Retirement System. The system as a total is at 72 percent funded. The average in the Commonwealth is 65 to 70 percent. This is a \$3.8 million increase from the prior year, which is due to the retirement system's investments coming in at \$13.4 million less than what was anticipated. The net OPEB liability has a balance of about \$7,094,000, which is a decrease of about \$280,000 compared to the prior year. RMLD has set aside funds to fund about 36 percent of that liability. This is a strong position for RMLD: most towns in the Commonwealth have only funded one to ten percent. Other light departments in Massachusetts have funded between 20 to 40 percent of that liability. Mr. Fentross then discussed purchase power expenses, which has a balance of about \$61,027,000. This is a decrease of about \$9 million from the prior year. Electric sales under operating revenues has a balance of roughly \$89,475,000. RMLD had savings on the cost of power that it purchased and passed those savings on to the customers. Mr. Fentross explained that the change in net position has a balance of approximately \$4,319,000. This is essentially RMLD's net income. RMLD had strong operating results.

Report of the Audit Committee

Mr. Pacino stated that the Audit Committee met the prior week and Mr. Fentross made a more detailed presentation. Some questions were raised, and Mr. Fentross wrote a memorandum answering those inquiries. The Committee recommended that the report be accepted by the Commissioners. Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board of Commissioners accept the Audit Report from Melanson, Calendar Year ended December 31, 2019 as presented and as amended by the Audit Committee, on the recommendation of the General Manager.

Roll call vote: Mr. Pacino: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye; Mr. Coulter: Aye.

Motion Carried: 5:0:0

Mr. Fentross thanked RMLD staff and left the meeting.

Public Comment

Mr. Coram stated that he had slides to convey his points, which he sent to Ms. Schultz that morning. Mr. Coram stated Ms. Schultz told him she needed meeting materials 48 hours in advance. Ms. Schultz affirmed. Mr. Coram stated that he was shocked to see the suggestion on RMLD's Twitter to raise the temperature on air conditioning from 70 degrees to 73 degrees. Mr. Coram stated the RMLD webpage suggests a temperature of 68 degrees. Mr. Coram stated EnergyStar recommends a temperature of 78 degrees. Mr. Coram stated that he emailed Ms. Mulvaney at the end of June and she did make a change to the Twitter graphic. Mr. Coram asked that the video on the RMLD website also be updated. The Commissioners agreed that this was a reasonable request.

Mr. Satterthwaite stated that GRACE would like to make a request regarding RMLD's Clean Energy Policy but would hold off on comment until item 9 (discussion of clean energy policy setting) on the agenda.

Mr. Kay asked how the United Unitarian Church in Reading could add solar to its roof. Mr. Underhill explained that information regarding solar rebate opportunities is available on the RMLD website. The issue with the Church being a non-profit is that many of the incentives are provided through tax offsets. However, the Integrated Resources Department would be glad to discuss the filing process and available incentives. Mr. Underhill added that the video that Mr. Coram referenced earlier is in the process of being rerecorded.

RMLD's Response to COVID-19

Ms. O'Brien explained that she has been keeping the Board and RMLD employees up to date on RMLD's Emergency Operating Procedure. RMLD has been ahead of any potential safety issues. The management team meets every day. There are four areas of the Governor's Order: staffing, hygiene, cleaning, and operating. RMLD is well within the limit of ten people per 1000 feet of accessible space. Plexiglass has been added to cubicles. Most of the administrative staff is working remotely.

Integrated Resources Division

Monthly power supply report

Mr. Underhill began by stating loads are being tracked against the budget. For the first three months of the year, actuals ran below budgeted loads. These were pre-COVID 19 impacts. April and May also ran low: these months include COVID as a factor. June's actual load was higher than the forecasted load. Mr. Underhill explained that RMLD was not as adversely impacted by COVID as had been initially projected. Purchase power expense is well below expected projections. Energy costs are holding slightly below what was budgeted. Capacity costs are usually fixed and have been running slightly below where they were projected to be. That is one of the larger contributors to the power supply market savings. Transmission costs are also below what was projected. This is because loads during peak time are down significantly. Mr. Underhill reviewed kilowatt hour purchases by resources. RMLD has been selling small quantities of power back to the market each month. Mr. Underhill discussed the projected outlook of the power supply through 2040, including non-carbon resources. The Commonwealth's original Renewable Portfolio Standard, the Clean Energy Standard, and the proposed Golden Bill. In the coming years, RMLD is ahead of the curve in terms of its potential to meet any of these standards. RMLD is looking at having seventy percent of its portfolio being non-carbon in four years. RMLD has made aggressive efforts to obtain a non-carbon portfolio going forward.

RECs report

Mr. Underhill explained a valuation study for the Renewable Energy Certificates (RECs) that RMLD has in its portfolio was done. The RECs fall into three categories: Class I Class II and 'Other.' The 'Other' are projects in Connecticut and Maine that don't meet the Massachusetts threshold. Class I RECs are currently valued at about four and a half cents a kilowatt hour and Class II RECs are currently valued at about two cents per kilowatt hour.

Detailed breakdown of portfolio by RECs classification

Mr. Underhill discussed the RECS that RMLD currently has control of in its portfolio.

Integrated Resources Division

Potential rate impacts of options for complying with RPS and Golden Bill

Mr. Underhill presented a slide showing the estimated impacts of various portfolio options and legislative compliance on RMLD retail rates, including the impact of acquiring and retiring all RECs in the portfolio.

Update on RMLD programs

Mr. Underhill presented slides showing the amount spent on the RMLD/Department of Energy Resources (DOER) solar rebate program. There are still \$85,000 of funds available. The program has been extended from June 2020 to the end of the year. So far there have been 28 participants receiving an average payout of \$5,875. Mr. Underhill stated there are an estimated 15 project slots remaining.

Mr. Underhill then provided an update on RMLD's rebate programs, including the cordless yard equipment program, an electric panel upgrade program, and a heat pump program.

Report on the Select Board Meeting

Mr. Talbot stated the Select Board discussed coordinating a response when RMLD issues Shred the Peak alerts. Green Communities was also mentioned at the meeting.

Discussion of clean energy policy setting

Mr. Satterthwaite referenced item 3d on the draft sustainable energy policy, which states that the RMLD would adapt to the Clean Energy Standard (CES) and the Renewable Portfolio Standard (RPS), if required by the state legislature to do so. Mr. Satterthwaite stated that Mr. Underhill's past presentations have shown that the RMLD has prepared for the contingency that municipalities may ultimately need to adhere to the RPS and CES. Ms. Satterthwaite stated that GRACE believes that catching up with the rest of the state, in terms of clean energy, is the right thing to do, and should be done regardless of whether it is required by the legislature. Mr. Satterthwaite stated that GRACE requests that the RMLD adopt a policy of parity with the investor-owned utilities, hitting the same annual targets for renewable and clean energy, and reporting progress under exactly the same rules. GRACE IS advocating this policy for the following reasons:

1. It's not only simple, but comprehensive. The policy phrased this way immediately defines what types of energy are counted and what types are not counted. It automatically prohibits the double counting of renewable energy certificates, which has been a controversial topic. It spells out incremental improvement from year-to-year. It entails that the RMLD will hit new targets, if such targets are mandated for the rest of the state.
2. As reasonable people, GRACE doesn't feel that they can ask for more. Cost is always a factor, and the RMLD has multiple constituencies to please.
3. GRACE was founded when two churches in town got together, and as people of conscience, don't see how they can ask for less. The rules imposed on the IOUs are the only transparent standard against which the fairness of burden-sharing can be measured, relative to the rest of the state. The four towns served by the RMLD are relatively affluent with median family incomes between \$114,000 and \$125,000. The corresponding number for neighboring Woburn is \$83,000, for the state as a whole, it's \$80,000, and for Lynn, which borders Lynnfield, it's only \$54,000. Mr. Satterthwaite stated that there should be moral clarity about this. It is not fair or just that less affluent neighbors should pull their weight in creating a cleaner energy supply, while we do less. Yes, municipal light plants have a different business model than investor-owned utilities, but there's a simple bottom line at the customer level as far as how much is being individually paid and how much pollution is being created. This means customers are taking advantage of a legislative loophole in order to pay less by polluting more.
4. A farsighted policy adopted by the RMLD now may have influence beyond the borders of the four towns. As the largest of the municipal light plants, and the only one serving four different towns, the RMLD is in a position to be a leader and to set an example.

Discussion of clean energy policy setting

Chair Stempeck stated that the issue is one of cost. The IOUs rates are higher than RMLD's. Chair Stempeck explained that for people who are on fixed incomes, a rate increase isn't as easy to handle. RMLD's charter is to provide reliable power to its service territory at the lowest possible cost. Ms. O'Brien added that the money that is made by selling RECs gets reinvested in low-risk projects. Municipals are getting together to make green projects happen. Mr. Underhill then stated that when RMLD began its electrification program, a commitment was made to acquire sufficient resources from non-carbon production. If the Commission decides to retire RECs, they will need to decide whether to vote for supplemental funds to continue aggressive requisition of non-carbon resources. Or, that would need to be slowed in order to strike a balance with rate costs. Chair Stempeck also mentioned RMLD has a large industrial customer that accounts for 12 percent of RMLD's load. Mr. Underhill added that the commercial/industrial sector accounts for about 60 percent of RMLD's load. Chair Stempeck said that low electric rates attract and keep business to and in the area. Mr. Satterthwaite stated that in the short-term, GRACE is asking for reporting rather than action. Mr. Satterthwaite stated they would like to see how RMLD is doing compared to the IOUs. Ms. O'Brien explained that Mr. Underhill presents this information monthly. Mr. Satterthwaite stated sold RECs should be represented. Mr. Underhill states that he shows the potential for green based on the RECs that RMLD has. RMLD's resource portfolio is in compliance with what the IOUs follow. Mr. Talbot asked if RMLD can try to move away from peakers (if used). Mr. Coulter explained that is determined by ISO-the power companies have no say.

General Discussion

Meeting dates were discussed.

Executive Session

At 8:57 p.m., Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board move into Executive Session to consider the purchase of real property, and to discuss the deployment of security personnel or devices, or strategies with respect thereto, and return to Regular Session for the sole purpose of adjournment.

Roll call vote: Vice Chair Hennessy: Aye; Mr. Coulter: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0

Adjournment

At 9:52 p.m., Mr. Pacino made a motion, seconded by Vice Chair Stempeck, that the Board adjourn.

Roll call vote: Vice Chair Hennessy: Aye; Mr. Coulter: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0

A true copy of the RMLD Board of Commissioners minutes
as approved by a majority of the Commission.

Philip B. Pacino, Secretary Pro Tem
RMLD Board of Commissioners

August 20, 2020, Minutes



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

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John Stempeck, Chair; David Hennessy, Vice Chair; David Talbot, Commissioner; Robert Coulter, Commissioner; Philip B. Pacino, Commissioner

Members - Not Present:

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Hamid Jaffari, Director of Engineering and Operations; John McDonagh, Assistant Director of Engineering and Operations; Charles Underhill, Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance, and Utility Technology; Tracy Schultz, Executive Assistant

George Hooper, Citizens' Advisory Board

Gail Page, Green Sanctuaries
Lynn Champion, 8 Franklin Avenue, Wilmington
James Satterthwaite, 8 Hunt Street, Reading
John Rogers, 39 Tower Hill Road, Reading

Minutes Respectfully Submitted By: Philip B. Pacino, Secretary Pro Tem

Topics of Discussion:

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Chair Stempeck called the meeting to order and read RMLD's Code of Conduct. Chair Stempeck announced that the meeting is being recorded via Zoom for distribution to the community television stations in North Reading, Lynnfield, and Wilmington.

Chair Stempeck asked Mr. Pacino to serve as Board Secretary.

Mr. Pacino summarized the CAB meeting he attended directly before the Board meeting. It included the same small cell presentation that the Board will be receiving. Jason Small was elected Chair and Vivek Soni was elected Vice Chair.

Public Comment

Chair Stempeck stated that GRACE had sent a letter of requests to RMLD and stated that if GRACE wants RMLD to follow the same policies as the IOUs, then GRACE should clearly define what those policies are. The letter also stated, "we would be willing to pay for a rate increase to accomplish this." Chair Stempeck explained that RMLD is very sensitive to rate increases, particularly during the pandemic. RMLD's charter states power is to be supplied at the lowest possible cost to its customers in all four of the communities that it serves.

Ms. Page read a prepared statement, stating she is in attendance as chair of the Green Sanctuary Climate Justice Group of the Unitarian Universalist Church of Reading, and as Coordinator of the Greater Reading Alliance for Clean Energy (GRACE). Ms. Page stated that she has great respect and admiration for RMLD. RMLD has done an admirable job of meeting its mission of providing safe, reliable, and competitively priced electricity. RMLD's financial sheet is remarkably strong and the depth of knowledge and future planning skills demonstrated by the Ms. O'Brien and Mr. Underhill are impressive. However, times have changed. RMLD has had the same mission for 125 years and it is time for a change due to the climate crisis. Ms. Page stated she hopes that RMLD recognizes that humanity is at a tipping point. Either we do what is needed now to turn back the climate crisis or we become accomplices in the worsening of the crisis. Unaddressed, the climate crisis ends in humanity paying a terrible price in human suffering, loss of life, and environmental destruction. Stopping the use of carbon-emitting fuels is one critical part of reversing climate change. Historically, electricity has been created from the burning of carbon-emitting fossil fuels. Our best hope for the future is a three-step process: 1) having all electricity generated from clean, renewable, non-carbon emitting sources; 2) electrifying heating, cooling, cooking, and transportation; and 3) reducing electricity through energy efficiency measures. RMLD staff and Board are ideally placed to play a significant role in the solution to climate change. GRACE asks that RMLD takes on this challenge, which is why GRACE made its request that, at the least, the RMLD meet both the Renewable Portfolio Standard and the Clean Energy Standard, as clearly defined in law and mandated for the IOUs. If different standards are imposed on the IOUs, then RMLD should comply with those standards. GRACE is open to discussion and wants to understand what obstacles, if any, exist to fulfilling its request. The hope is that through communication, mutual understanding, and problem solving, ways can be found for RMLD to meet its goals, along with the goals required to meet this moment of climate crisis.

Chair Stempeck thanked Ms. Page and stated that in September, GRACE can present what it expects the RMLD to do to mirror the IOUs. Mr. Satterthwaite stated that the IOUs need to comply with the Renewable Portfolio Standard and the Clean Energy Standard: those requirements are spelled out explicitly in law and it's a transparent public process. Chair Stempeck replied that GRACE needs to show RMLD what they think the IOUs are doing, what the data sources are that are being used, and then present a definitive analysis, which can then be compared with what RMLD thinks the IOUs are doing. Chair Stempeck stated that rather than just making requests, GRACE should be more involved in the process. It's incumbent upon GRACE to define what the IOUs are doing and why GRACE thinks that the IOUs are doing a better job than RMLD. It can be an agenda item on the September agenda. Mr. Rogers replied that the numbers aren't hard to come up with, and the IOUs are required to have RECs to meet the proscribed standards. Mr. Rogers stated he would like to know the cost implications of RMLD retiring the RECs needed to meet the standards the IOUs must adhere to. Mr. Rogers stated that GRACE is willing to provide more information. Chair Stempeck added that there is a historical element to the issue of RECs, which goes back about ten years. The majority of the communities wanted to sell the RECs. There were significant cost differences between keeping the RECs or retiring the RECs. RMLD is open to adjusting its mission, but at the end of the day, RMLD serves four communities, and the Commissioners need to be responsive to all four towns.

Mr. Pacino stated that Jim Blomley, a longtime RMLD employee for 42 years, passed away last month. The Board expressed their condolences for the family, including Jim's wife Donna, who herself is a retired RMLD employee.

General Manager's Report

2021 Budget

Ms. O'Brien explained that according to the Twenty-Year Agreement, RMLD needs to get the budget to the CAB by October 1. RMLD has been working on the budget since July and no major changes are expected other than the substation and AML meter conversions.

Small Cell Wireless

Mr. McDonagh explained his presentation is regarding wireless communication and the installation and propagation of 5G signaling. The FCC changed its regulations: wireless communications are now classified as a utility. This means that wireless companies can now leverage the FCC guidelines to start installing small cell wireless facilities in public and private rights of way. Carriers will still need to apply to communities for the installation of this wireless equipment. While there is a legal argument that the FCC order doesn't apply to RMLD, RMLD is working in good faith to accommodate this new technology. This includes responding to properly completed applications within 60 days and then scheduling and completing the work thirty days thereafter. Each wireless company must apply to each municipality. Once a wireless company has been granted permission by the respective town and joint pole owner, the wireless company also must apply to the RMLD. The wireless company is limited to ten pole licenses per application. RMLD's process flow was presented. RMLD will do calculations to ensure that each pole can handle the requested load of equipment. If it is determined that a larger class of pole is needed to accommodate the proposed equipment, RMLD or Verizon would need to replace the pole. The wireless company would then need to pay RMLD for the replacement costs. The wireless company can then contract with RMLD to install the equipment, or, they can sub-contract to a qualified third-party line company. Regardless of who performs the install, RMLD has a set of specifications that must be adhered to.

Mr. Pacino at this point asked about cost. Mr. McDonagh explained that there are application fees to perform analysis and the wireless company will pay for any new equipment. Chair Stempeck asked what would happen if multiple carriers filed applications. Mr. McDonagh responded that it's first come, first serve.

Mr. McDonagh then continued with his presentation, stating each town has been asked to notify RMLD when a wireless company has been granted permission to install equipment in the public right-of-way. RMLD will notify the respective town upon receipt of wireless applications. Chair Stempeck asked how many kWh each wireless unit will use. Mr. Coulter stated that National Grid estimated that a 60-amp service running constantly all year would be about \$4,000 worth of usage per year, per pole. Mr. McDonagh discussed aesthetics, which the towns will need to determine. Ms. O'Brien stated that communication with each town will be important and that the Master Agreement is nearly completed.

Integrated Resources Division

Power Supply

Mr. Underhill stated that the first seven months of 2020 show lower forecasted loads at the start of the year. However, in June and July loads were greater than what was predicted. Currently, RMLD is running about three percent under what was forecasted. There hasn't been a large load reduction due to COVID. The load was lower in the earlier half of the year because it was warmer than average. The warmer-than-average summer has resulted in more cooling degree days. Energy costs, which are about 80 percent of the power supply budget, have been tracking closely. Capacity costs are lower than what was forecast. Those are set the year before. Transmission costs are down due to peak-shaving with the generator and battery storage system. From January through April, RMLD had sales back to the power supply pool due to lower than anticipated loads.

Mr. Underhill then gave an update on the Clean Energy Standard. Due to a mismatch between House bill H4933 and Senate bill S2500, a Conference Committee has been formed. The Golden Bill was incorporated into H4933 and is part of Roadmap 2050 legislation. The conference committee that was formed to resolve the differences in energy legislation has six members: five

of those members serve communities with municipal light plants. The sixth committee member is Representative Golden.

Mr. Underhill then discussed RMLD's power supply through 2040, stating that from 2021 to 2030, municipal light plants will catch up to the requirements of the Clean Energy Standard, which is 80 percent carbon-free emissions by 2050. There as discussion regarding pending legislation. Mr. Underhill then presented the impact on rates of retiring RECs. If RMLD retires RECs in 2022, a four percent rate increase would be needed. RMLD would then need another two percent increase in 2023 to make up the additional margin. Mr. Hennessy asked what was included in biomass. Mr. Underhill replied it's the combustion of green material, such as wood chips.

Mr. Underhill then presented the performance of RMLD's peak demand assets so far in 2020 and to-date. Thus far, the battery energy storage system has had a positive impact on RMLD's portfolio of \$751,457. The 2.5-megawatt generator has had a positive impact of \$1,407,756. The first Solar Choice program is just under \$100,000. The total impact of peak management activity has been \$2,233,836.

Mr. Underhill reviewed FERC litigation activities. The RMLC intervention on filing related to Mystic power plan and in National Grid's transmission resulted in significant cost savings.

Financial Update

Ms. Markiewicz reported on financials for the first six months of 2020, ending June 30. Ms. Markiewicz explained that RMLD reforecast its plan a few months ago and is on target. RMLD is currently at negative one percent for sales. Expenses between June of this year and June of last year are comparable. Purchase power revenue is \$2 million under. This is a pass-through to customers and at year end typically balances out. RMLD's cash balances are in a good position. Unrestricted funds total \$22 million and restricted funds total \$27 million. Sick leave benefits are at \$792,000, which is low compared to the past. Accounts receivable in April, May, and June are in line with last year for April and May. In June of this year, customers didn't pay as quickly as last year. RMLD is typically at 86 percent for 30 days, and now it's at 79 percent. Ms. Markiewicz then returned to the subject of sick leave buy-back. Changes were made to the collective bargaining agreements allowing employees to buy-back sick time. This has been an ongoing effort to minimize sick leave liability. In June of 2016 RMLD had a sick leave buy-back liability of \$3.3 million. As of June 2020, it is down to \$2.1 million, that's a four year drop of \$1.2 million. Ms. Markiewicz then discussed operating revenue to overhead and explained that operating revenue has trended down the last three years, which has a lot to do with the decrease in purchase power expenses. Maintenance, general and administrative expenses have stayed stable from 2018 to 2020: there was only an increase of about \$200,000. The expenses that RMLD can control are flat.

Engineering and Operations Report

Mr. Jaffari began by reviewing construction projects, including a step-down conversion in Lynnfield Center. There are 54 poles involved and the project is 15 percent complete. RMLD is in phase II of a line extension at Marion Street in Wilmington. The project is ongoing and is expected to be completed by the end of the year. The Parkview Road in Reading area upgrade is anticipated to be completed by the third week of August. The Kenwood Road in Wilmington area upgrade is approximately 33 percent completed. It should be finished by December 2020. Westover Drive underground facilities upgrade should be completed in about three weeks. The underground facilities upgrade at Greenbriar Drive in North Reading has been completed. Mr. Jaffari reviewed other projects, including the implementation of power factor optimization software, the solar capacity study, and the meter replacement project.

Maintenance programs were discussed, including tree trimming, pole inspections, and infrared scans. The manhole inspection program found 30 manholes need to be replaced: Mr. Jaffari explained that the Board would be voting on that bid shortly. The aged transformer replacement program shows that 38 percent of RMLD's transformers are over 25 years old. That doesn't mean the transformers will fail, but they are prioritized for replacement. To date, approximately 48 single phase transformers, four three-phase transformers, and nine pad-mount transformers have been

replaced this year, for a total of 61. The total this time last year was around 80 or 90. COVID is responsible for the difference.

Capital spending through June was \$3.6 million. The budget was \$11.5 million. Some projects have been delayed. The remaining balance is approximately \$7.9 million. Mr. Jaffari stated there are 64 poles awaiting transfer in Lynnfield, 14 pull poles and two disputed poles in North Reading, 23 transfers and two pull poles in Reading, and 86 transfers and one pull pole in Wilmington.

RMLD's reliability is great. Mr. Jaffari presented photos of RMLD's new deck.

**RMLD Procurement Requests Requiring Board Approval
IFB 2020-25 - Excavation and Repairs of Electric Utility Manholes**

Mr. Jaffari explained that the request was sent out to 20 companies and only three bids were received. These are the 30 aforementioned manhole covers.

Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that IFB 2020-25 for Excavation and Repairs of Electric Utility Manholes be awarded to: **Tim Zanelli Excavating, LLC, for a total amount of \$129,750** pursuant to M.G.L c. 30 Section 39M, as the lowest responsible and eligible bidder on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Vice Chair Hennessy: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

General Discussion

Meeting dates were discussed.

Adjournment

At 9:43 p.m., Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board go into executive session to consider the purchase of real property and to return to regular session for the sole purpose of adjournment.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Vice Chair Hennessy: Aye; Chair Stempeck: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

At 10:05 p.m., Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board adjourn.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

A true copy of the RMLD Board of Commissioners minutes
as approved by a majority of the Commission.

Philip B. Pacino, Secretary Pro Tem
RMLD Board of Commissioners

September 16, 2020, Minutes



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-09-16

Time: 07:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

Attendees: **Members - Present:**

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

John Stempeck, Chair; David Hennessy, Vice Chair; David Talbot, Commissioner; Robert Coulter, Commissioner; Philip B. Pacino, Commissioner

Members - Not Present:

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Charles Underhill, Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance, and Utility Technology; Tracy Schultz, Executive Assistant

Mark Zarrow, Financial Committee

Gail Page, Green Sanctuaries
Lynn Champion, 8 Franklin Avenue, Wilmington
James Satterthwaite, 8 Hunt Street, Reading
John Rogers, 39 Tower Hill Road, North Reading
Thomas O'Rourke, 47 Chequessett Road, Reading

Minutes Respectfully Submitted By: Philip B. Pacino, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Chair Stempeck called the meeting to order and read RMLD's Code of Conduct. Chair Stempeck announced that the meeting is being recorded via Zoom for distribution to the community television stations in North Reading, Lynnfield, and Wilmington.

Chair Stempeck asked Mr. Pacino to serve as Board Secretary.

Public Comment

Ms. Page commended the RMLD for its heat pump rebate program.

Presentation of Meter Lamp to Retired Commissioner Thomas O'Rourke

Chair Stempeck thanked Mr. O'Rourke for his six years of service and stated that Mr. O'Rourke was a valuable contributor in helping to reshape and promote the RMLD, including excellent suggestions regarding town payment methods and general manager evaluation methodology.

Mr. O'Rourke's clear and calm views on all proposals were lauded. In honor of Mr. O'Rourke's service to the RMLD, an engraved meter lamp was presented. The other Commissioners and Ms. O'Brien thanked Mr. O'Rourke. Mr. O'Rourke expressed his gratitude and thanked his fellow commissioners and the staff of RMLD.

General Manager's Report RMLD Response to COVID-19

Ms. O'Brien reported that the remaining five employees who were working remotely have returned to the office. Per the Board of Health, the RMLD building remains closed to the public. A health check-in station has been established at the back of the cafeteria. RMLD employees are practicing social distancing and wearing masks in accordance with the Governor's order. All offices and cubicles have had barriers installed.

Small Cell Attachment

The Master Agreement is substantially completed. Discussions with the Towns are happening regarding aesthetic policies.

OPEB Declaration of Trust

Ms. O'Brien explained that the Commission signed the OPEB Declaration of Trust in February. The Town Treasurer has been serving as trustee of RMLD's OPEB funds. The Treasurer indicated that the Town of Reading would be investing in the State Retiree Benefit Trust Fund (SRBFT) and provided historical return data at approximately seven percent over a ten-year average. This required a declaration of trust be adopted by the RMLD Commissioners. The Treasurer is disputing the signed document and asking for the addition of for-cause language for removal of the trust, eliminating the ability of the Board of Commissioners to provide input to the Treasurer on investment strategy, and asking for language that reiterates that there is compliance required for reporting and auditing. Ms. O'Brien explained that 'for-cause' means that the Treasurer requested mirrored language with the Town's trust document on removal for cause. Ms. O'Brien stated that she asked for the requested language in writing. The Treasurer then stated that there is no language in the existing Town document about the removal of the trustee. Ms. O'Brien stated that she interprets that to mean that the Town can remove the trustee without cause. It's also worth noting that the Select Board has indirect oversight of the Trustee through the Town Manager. Ms. O'Brien said that the RMLD should maintain its statutory options by having the right to change trustees as it seems fit. Regarding Board of Commissioner input, the Trustee is asking to remove the language that allows the Board to provide any input regarding investment strategy. The law does allow the Trustee to have full investment strategy rights. However, the Board should be able to give input. If the trustee decided not to heed the Board's recommendations, the Board would be within its right to change trustees. The third issue is regarding specific language about complying with audits and reporting. The trust document must follow the law and therefore it is irrelevant to redraft it to contain law that is already applicable. Ms. O'Brien then explained RMLD's options: the law gives RMLD the right to change its trustee due to a variety of reasons that have nothing to do with the trustee doing a good job. It is highly unusual for a trust document to have for-cause language. An option is to direct the General Manager to provide feedback from the Board of Commissioners this evening and ask the Treasurer to reconsider and sign the document. If he still refuses to sign, RMLD can go to the Reading Retirement Board, who can also invest into PRIT with a document of trust. The retirement board can invest OPEB funds directly. RMLD can explore establishing a special Board of Trustees, which has been done by other municipal light plants. The Board would be comprised of five to thirteen members. Massachusetts General Law Chapter 32b Section 20 spells out the parameters. The benefit of the special trustee board is that it provides employees and retirees with representation on matters that directly affect them.

Chair Stempeck stated that he has multiple trusts and has never seen a document with a 'for-cause' clause plus the Board of Commissioners should have input. If the Town doesn't wish to cooperate then he believes RMLD will have to find its own path. Vice Chair Hennessy agreed. Mr. Coulter expressed his surprise, given the Treasurer's request to RMLD, that the Town's trust doesn't have similar language regarding 'for-cause.' It was agreed that a dialogue would be opened with the Select Board and look into the investing through the Retirement Board.

Integrated Resources Division

Update on Customer Programs and Activity

Mr. Underhill stated that the fourth-grade art contest is voluntary and virtual this year due to COVID. National Drive Electric week will feature video showing what it is like to drive an electric vehicle. Public Power Week will feature virtual events.

Electrification

Mr. Underhill explained RMLD launched a heat pump program and has contracted with Abode Energy Management to help customers understand their options.

Power Supply Report

Mr. Underhill stated that through August, RMLD is running just about three percent below what was forecasted by ENE for this year but is ahead of 2019's results. The upcoming winter is predicted to be warmer than average. The power supply portfolio has been performing well. Energy costs have been tracking what was budgeted. Capacity costs are coming in below budget. Most of these costs are set at the previous year's peak. Sub-transmission accounts with National Grid and Eversource are charging less than anticipated. Transmission costs are below budget due to RMLD's peak-management programs. Since RMLD's loads were down, RMLD sold back to the market until May. In June sales were higher than anticipated so RMLD had to buy from the market.

Roadmap 2050 Compliance

Mr. Underhill explained that a piece of legislation is in conference committee to be resolved between the Massachusetts House and Senate. That will provide a Clean Energy Standard update and will dictate performance objectives for Massachusetts municipal light plants. The name of this legislation is Roadmap 2050. It requires 100 percent clean energy by 2050. Previous statutes had annual incremental targets. Roadmap 2050 has a target every ten years: 50 percent non-carbon portfolio by 2030, 75 percent by 2040, and 100 percent by 2050. Non-carbon will be defined as retiring certificates associated with energy production. The targets are more aggressive than those spelled out in the Golden Bill. Mr. Underhill then discussed the power supply outlook with the Roadmap 2050 standard. RMLD power supply has a very good start on compliance with the Roadmap 2050 standards. RMLD will be working with the Board to put a policy in place that meets the Roadmap 2050 requirements. Mr. Underhill then discussed the impacts on retail rates of Roadmap 2050. Without making other adjustments, it would lead to higher rate increases than would have been necessary. However, there are ways to mitigate some of those rate impacts. Next steps were discussed, including identifying issues that need to be addressed in order to change RMLD's Sustainability Policy into a Clean Energy Policy. Chair Stempeck mentioned that the Commissioners have concerns about biomass. Mr. Talbot concurred, stating he has sent out articles to the Commission regarding concerns raised by environmental scientists. Vice Chair Hennessy asked if biomass was less expensive than other renewable sources of energy. Mr. Underhill replied that there are two sources of biomass: one is methane, and one is green material. The Palmer project takes tree trimming waste. It is a dispatchable fuel resource so it can offset capacity and transmission and can run at night, unlike solar. Mr. Talbot asked that no biomass contracts be signed until the Board sets the policy. The Commission deferred Mr. Talbot's request at present. Ms. O'Brien explained that the Palmer project is on a landfill and burning out methane. The Palmer project also is taking tree trimming wood waste. RMLD contributes a lot of wood waste due to its tree trimming program. Chair Stempeck suggested getting more facts.

Engineering and Operations Report

Mr. Jaffari stated that an underground cable just outside of Station 4 faulted on August 19, 2020. 160 customers were affected by a 40-minute outage. RMLD immediately performed switching to restore service and relaced the cable.

Mr. Jaffari discussed ongoing projects such as area upgrades, underground facilities upgrades, and transformer replacements. The Marion Street line extension in Wilmington is 60 percent completed and should be finished by October. Electric vehicle chargers at Analog devices should be fully operational by October. Power factor optimization software, solar capacity study, and the meter replacement project were reviewed.

Maintenance programs are all going well, including infrared scans. Primary metering testing was delayed due to COVID but will be starting up again shortly. RMLD has 1,800 transformers that are older than twenty years and are scheduled to be replaced. Capital spending through July was approximately \$4.3 million. \$11.5 million has been budgeted, leaving \$7.3 million remaining. Double poles were presented, with Wilmington and Lynnfield having the most poles awaiting transfer due to equipment upgrades. Reliability is great despite several storms. RMLD recently purchased a new underground utility truck and four SUVs and one pickup truck.

RMLD Procurement Requests Requiring Board Approval

RMLD IFB 2020-1 - Removal, Transportation, Disposal and Remediation of Hazardous Materials including Emergency Response Services

Mr. Jaffari explained that two sample jobs were given to 22 bidders: five responded. This is for oil and hazardous material spills on soil. It's a three-year contract and is cheaper than the last time this service went out to bid.

Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that bid IFB 2020-11 for: Removal, Transportation, Disposal, and Remediation of Hazardous Materials including Emergency Response Services be awarded to: **ACV Environmental Services, Inc. for a not to exceed amount of \$50,000 per year (without written approval)** pursuant to M.G.L Chapter 30 Section 39M, as the lowest responsible and eligible bidder on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Vice Chair Hennessy: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

General Discussion

Meeting dates were discussed.

Presentation from Greater Reading Alliance for Clean Energy

Mr. Rogers thanked the Board and acknowledged that cost is important and referenced GRACE's July 23 request that RMLD update its renewable energy policy and stated that GRACE recognizes that RMLD is not an IOU but RMLD can adopt a policy of parity and follow the same standards of compliance. Mr. Rogers stated that Massachusetts IOUs have been meeting the Renewable Portfolio Standard for decades and reviewed the legislative history. Technology considerations, annual targets, standards for complying were reviewed. Mr. Rogers then discussed Renewable Energy Certificates ("RECs"), stating that they are *the* tool for establishing and validating renewable energy claims. Massachusetts launched the first state-wide Renewable Energy Portfolio Standard ("RPS") and stated that renewable energy generators that qualified were broken into two products. The two products are the electricity production that is consumed on-site and delivered to the grid and the positive environmental associated with the energy production. Governmental views on RECs were then presented by Mr. Rogers. Mr. Rogers stated that RECS are how you prove that you have renewable energy. In summary, Mr. Rogers stated that GRACE requests that the RMLD commit to voluntarily meeting the annual targets of the RPS and Clean Energy Standard ("CES"), using the same technologies, same targets, and same reporting standards.

Chair Stempeck stated that he looked at IOU annual reports. The total revenue of National Grid is \$12.8 billion and the total revenue of Eversource is \$8.5 billion. Electrical revenue is \$6.5 billion and \$6.2 billion, respectively. From a revenue perspective, they are about 70 times larger than RMLD. They have millions of customers whereas RMLD has 70,000. Their return on equity is 11.5 percent. RMLD's eight percent ROA is regulated. National Grid can access \$3 billion of working capital. Chair Stempeck stated that outside of Massachusetts, both are investing heavily in wind and hydro. RMLD is investing in community solar, grid efficiency, rebate programs, and industrial and commercial programs. Chair Stempeck suggested a brainstorming approach to move RMLD to green power faster. The question is how to achieve this without negatively impacting customers by dramatically increasing rates. There needs to be compromise. Ideas being considered include a buddy system and using the rate stabilization fund.

Adjournment

At 9:29 p.m., Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board go into executive session to consider the purchase of real property and to return to regular session for the sole purpose of adjournment.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Vice Chair Hennessy: Aye; Chair Stempeck: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

At 9:35 p.m. the Board returned to regular session whereupon, Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board adjourn.

Roll call vote: Mr. Coulter: Aye; Mr. Pacino: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

A true copy of the RMLD Board of Commissioners minutes
as approved by a majority of the Commission.

Philip B. Pacino, Secretary Pro Tem
RMLD Board of Commissioners

October 22, 2020, Minutes



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-10-22

Time: 07:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

Attendees: **Members - Present:**

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

John Stempeck, Chair; David Hennessy, Vice Chair; David Talbot, Commissioner; Robert Coulter, Commissioner.

Members - Not Present:

Phillip B. Pacino, Commissioner

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Charles Underhill, Director of Integrated Resources; Greg Phipps, Assistant Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance, and Utility Technology; Tracy Schultz, Executive Assistant.

George Hooper, Citizens' Advisory Board

Gail Page, Green Sanctuaries

Lynn Champion, 8 Franklin Avenue, Wilmington

James Satterthwaite, 8 Hunt Street, Reading

John Rogers, 39 Tower Hill Road, North Reading

Laura Haight, Partnership for Policy Integrity

Johannes Epke, Conservation Law Foundation

Caroline Whiting, 17 Chestnut Road, Reading

Haley Jones, Community Action Works

David Zeek, Chair, Reading Climate Action Committee

Minutes Respectfully Submitted By: David Hennessy, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Chair Stempeck called the meeting to order and read RMLD's Code of Conduct. Chair Stempeck announced that the meeting is being recorded via Zoom for distribution to the community television stations in North Reading, Lynnfield, and Wilmington.

Chair Stempeck asked Vice Chair Hennessy to serve as Board Secretary.

Public Comment

Mr. Epke stated that he is concerned regarding the inclusion of biomass in RMLD's Clean Energy Policy. Ms. Whiting stated she is a member of the Greater Alliance for Clean Energy (GRACE) and

expressed her concerns that RMLD is involved with the Palmer biomass plant, particularly its location in Springfield.

Mr. Rogers stated that GRACE sees RMLD as having three options: keeping all RECs and claiming the renewable energy, selling the RECs and not claiming the renewable energy, and keeping some RECs to meet RMLD's targets and then selling anything else for revenue.

Report of the Citizens' Advisory Board Meeting

Mr. Hooper stated that the CAB met right before this meeting and reviewed the operating and capital budgets and approved.

General Manager's Report

Ms. O'Brien welcomed Mr. Phipps, the new Assistant Director of Integrated Resources.

Community Updates

Abode Energy was hired to help with the heat pump program, and it is going very well. There are about 35 applications in the queue. Virtual Public Power Week and Virtual National Drive Electric Week were both a success. The voluntary fourth-grade art contest is going well. The 2021 historical calendar will be out around Thanksgiving and will be available in a kiosk outside the RMLD.

Approval of Board Minutes

Mr. Talbot made a motion, seconded by Vice Chair Hennessy, that the Board approve the meeting minutes of January 23, 2020, April 21, 2020, April 30, 2020, May 23, 2020 on the recommendation of the General Manger.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 4:0:0 (one absent).

Review of Board Policy

Chair Stempeck explained that a review of Policy No. 30, RMLD's Clean Energy Policy, is on the agenda. Chair Stempeck suggested tabling the vote on that policy until November due to needed changes to wording in the policy. Chair Stempeck also stated that the Board was unaware of all the controversy surrounding the Palmer project. The Board needs time to look at all the data and information regarding that plant. Mr. Talbot stated that the money being used to build the Palmer plant would be better spent elsewhere and that the plant may only comply with state permits if the Governor were to weaken relevant regulations.

Mr. Coulter stated that there are positive aspects of burning wood debris and that it is not all negative. Vice Chair Hennessy asked Mr. Epke for more information regarding biomass. Mr. Epke replied that there are a variety of biomass plants. Lumber plants in Oregon have biomass plants on site which makes more sense since there are no transportation emissions involved. They can burn anything from residential compost to chipped dried wood to chipped tires. The enforcement of what is burned at a facility is a concern. Large facilities require large amounts of fuel: far more than tree trimmings from municipalities. From a climate perspective, biomass is not a neutral source in that the term to grow a tree back is not valuable in the time frame that we need to address carbon emissions. Biomass incentivizes cutting down trees that are decades old.

Mr. Talbot made a motion, seconded by Vice Chair Hennessy, that the Board of Commissioners direct the General Manager to explore all options relative to the disposition of the Palmer Biomass contract, starting by working with the Board to retain outside counsel not previously engaged on the issue.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 4:0:0 (one absent).

Integrated Resources Division

Power Supply Report

Mr. Underhill stated that the system load for the first three months of the year were about three percent below what was anticipated due to unseasonably warm weather. June was very hot and was reflected in the load, July was as expected, August's load was a bit high, and September was slightly higher than the previous year but slightly lower than what was forecast. RMLD is

Power Supply Report

tracking very well and is not seeing a dramatic impact from COVID-19. Actual costs have been running below the budget numbers, resulting in lower power costs overall.

Climate Action Committee

Mr. Underhill stated that he met with Reading's Climate Action Committee and provided them an update on what RMLD has been doing. The presentation is included in the Board packet.

Financial Report

August 2020

Ms. Markiewicz began with a list of highlights, including announcing that a new Credit and Collections Manager was recently hired, RMLD filed the 2019 DPU Report on September 30, and the Calendar Year 2021 Budget was distributed on October 1. In December RMLD has a pension obligation and will be transferring \$2.1 million to the Massachusetts Municipal Depository Trust. The second half of the two percent net payment to the four towns will be made at the end of December in the amount of \$803,000. The second half of the payment to the Town of Reading will be made at the end of December as well. That will be \$1.2 million. Ms. Markiewicz reviewed operating and maintenance expenses from January through August. RMLD is far under budget and is hoping to level out in some areas. However, it is currently projected that operating and maintenance expenses will be \$1 million under budget at the end of the year. Ms. Markiewicz explained the main area that is under budget is due to vacancies across the entire organization. These are due to the talent pool, retirees, and resignations. COVID has caused a halt or decrease in expenses such as tree trimming being halted or decreased, home energy audits being halted or decreased, vacation opportunities not being taken, the cancellation of education and training programs, and legal proceedings being cancelled or postponed. Unforeseen spending included roof repairs and security monitoring measures for IT infrastructure. Ms. Markiewicz stated that RMLD has been monitoring Accounts Receivable. The 30-day turnaround hit a low point in June but is now coming back up. Additionally, 95 percent of accounts are current through 90 days as of August.

OPEB Declaration of Trust

Ms. O'Brien explained that there were minor changes: the law allows the Board to choose a trustee, In this case, the Town Treasurer. However, the Town Treasurer wanted language added to the trust prevent the Board from changing trustees in the future. Counsel has gone back and forth and made some minor changes,

Mr. Talbot made a motion, seconded by Vice Chair Hennessy, that the Board of Commissioners adopt the amendments to the Declaration of the Trust, as set forth in the proposed Amended and Restated Declaration of Trust presented by the General Manager.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 4:0:0 (one absent).

Engineering and Operations Report

Mr. Jaffari reported that construction is ongoing on North Main Street in Lynnfield. Switchgear replacements at Haven Street in Reading have been completed and are scheduled to be completed at Riverpark Drive in North Reading this month. Seven electric vehicle charging stations have been installed at Analog Devices in Wilmington and are just awaiting inspection. The line extension on Marion Street in Wilmington is 85 percent complete. In 2020, approximately 30 manholes across all four towns were identified for repair. All have been completed except for five on Main Street in Reading. Those will be repaired in the spring as part of a repaving project. Construction projects that have been recently completed include underground facilities upgrades on Westover Drive in Lynnfield and are upgrades on Kenwood Road in Wilmington. The power factor optimization software implementation will be completed by December and the meter replacement project study will be finalized and available soon. Maintenance programs were reviewed, including a new primary metering test. The meters are being tested for accuracy and reliability. The aged transformer program has been very successful. Capital spending through September totaled \$5.5 million, \$11.5 million was budgeted so \$6 million remains. Double poles were reviewed. Reliability is better than the regional and national averages. There have been ten storms so far this year: the average is usually five.

RMLD Procurement Requests Requiring Board Approval
IFB 2020-15 for: Hourly Rates for As Needed Distribution Line Work of All Types

Mr. Jaffari explained the bid was sent to thirteen companies. Four responded. The lowest bidder was the company RMLD currently uses.

Vice Chair Hennessy made a motion, seconded by Mr. Coulter, that bid IFB 2020-15 for: Hourly Rates for As Needed Distribution Line Work of All Types be awarded to: **Power Line Contractors, Inc.**, pursuant to M.G.L Chapter 30 Section 39M, as the lowest responsible and eligible bidder on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.
Motion Carried: 4:0:0 (one absent).

IFP 2020-38 750 MCM 15kV Power Cable

Mr. Jaffari stated that the bid was sent to thirteen distributors. Of the five who responded, four did not give firm pricing due to the changing cost of metal. The price the fifth bidder gave is consistent with past pricing.

Vice Chair Hennessy made a motion, seconded by Mr. Coulter, that IFP 2020-38 for 750 MCM 15kV Power Cable be awarded to: **Arthur J. Hurley Company, Inc., for \$178,851.15**, pursuant to M.G.L. Chapter 164 Section 56D on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.
Motion Carried: 4:0:0 (one absent).

General Discussion

Meeting dates were discussed.

Adjournment

At 8:41 p.m., Vice Chair Hennessy made a motion, seconded by Mr. Coulter, that the Board go into Executive Session to consider the purchase of real property and to discuss confidential, competitively-sensitive or proprietary information in relation to making, selling, or distributing electric power and energy and return to Regular Session for the sole purpose of adjournment.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.
Motion Carried: 4:0:0 (one absent).

At 9:15 p.m., Vice Chair Hennessy made a motion, seconded by Mr. Coulter, that the Board adjourn.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.
Motion Carried: 4:0:0 (one absent).

A true copy of the RMLD Board of Commissioners minutes
as approved by a majority of the Commission.

David Hennessy, Secretary Pro Tem
RMLD Board of Commissioners

**SUSTAINABILITY ENERGY POLICY REFORMATION:
3rd TRAINING SESSION**

ATTACHMENT 2

Session 3 of Education for RMLD BoC and CAB - Policy 30 Update

Objectives of this third session:

- 1) Review highlights of prior sessions
- 2) Confirm that Roadmap 2050 intends to motivate buildings, transportation, and energy (IOUs and MLPs) to a common net zero non-carbon goal, along different paths
- 3) Understand that regulations can be tailored to accommodate that IOUs and MLPs operate differently due to size, scope, ownership, and mission
- 4) Understand what RPS / CES was intended for and how IOUs buy energy and certificates to comply
- 5) Understand how Roadmap 2050 is intended to drive net zero non-carbon compliance (MLPS and IOUs)

Note SB 2995 was vetoed Jan 14th and is an update of Roadmap 2050.

In an effort to maintain consistency from prior sessions, Roadmap 2050 and SB 2995 are synonymous for this session

Expert guest speakers:

Patrick Woodcock - Commissioner - Massachusetts Department of Energy Resources

Robert Grace - President and Managing Director - Sustainable Energy Advantage, LLC

Moderated Q&A with external experts – Greg Phipps as moderator

- a) Roadmap 2050 highlights and key objectives – **Commissioner Woodcock**
- b) RPS / CES highlights, program evolution, how IOU's comply – **Bob Grace**
- c) Contrast of MLP and IOU businesses and how Roadmap 2050 accommodates both – **Commissioner Woodcock**

FINANCIAL REPORT

ATTACHMENT 3

**THE READING
MUNICIPAL LIGHT
DEPARTMENT**

**FINANCIAL
REVIEW**

JANUARY 20, 2021



FINANCIAL HIGHLIGHTS

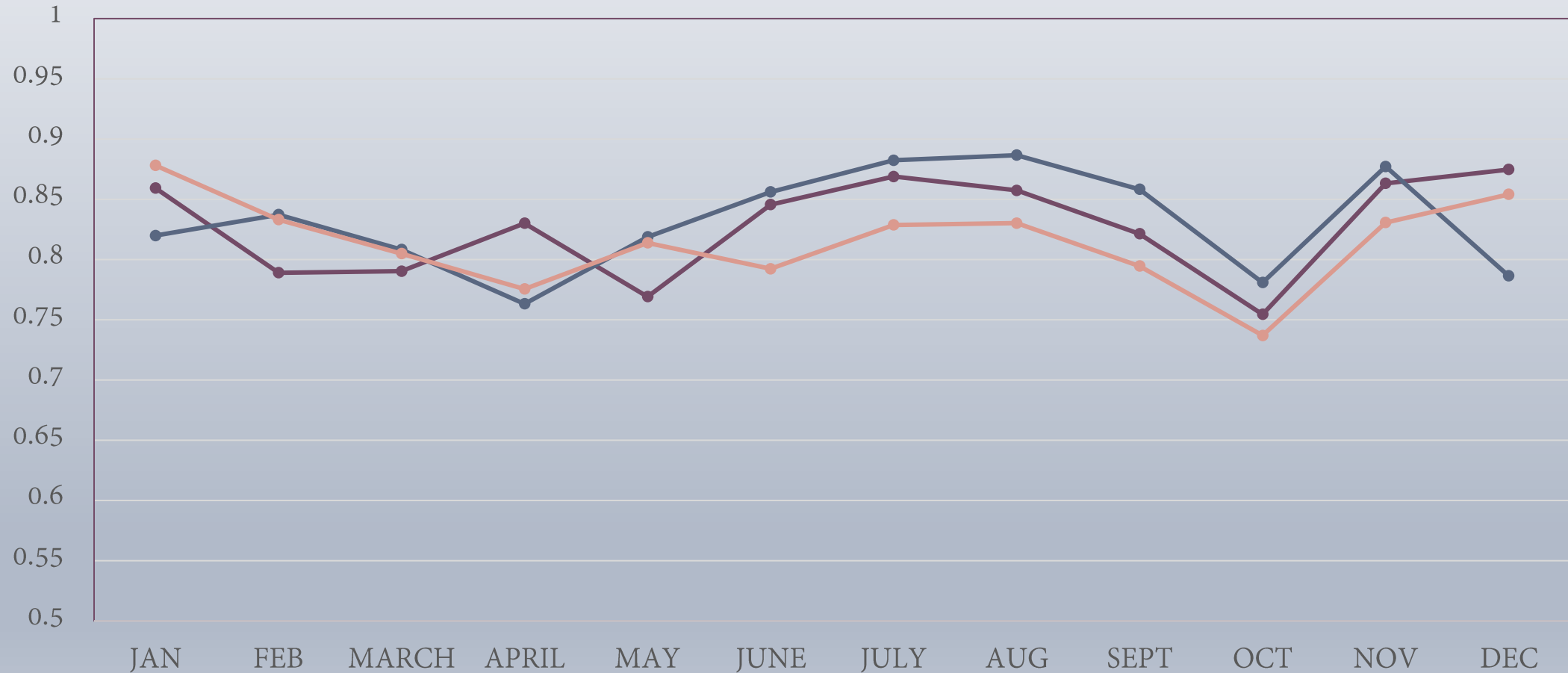
- Pension Obligation Transfer to MMDT on 12/16/2020 in the amount of \$2,140,461
- Town of Reading Payment issued on 12/29/2020 in the amount of \$1,240,253
- 2% Net Plant Payments issued on 12/29/2020:
 - ❖ Town of Wilmington \$440,110
 - ❖ Town of Reading \$165,159
 - ❖ Town of North Reading \$145,936
 - ❖ Town of Lynnfield \$52,299



Accounts Receivable Aging by Months

30 Days

January - December



Months of Year

—●— 2018

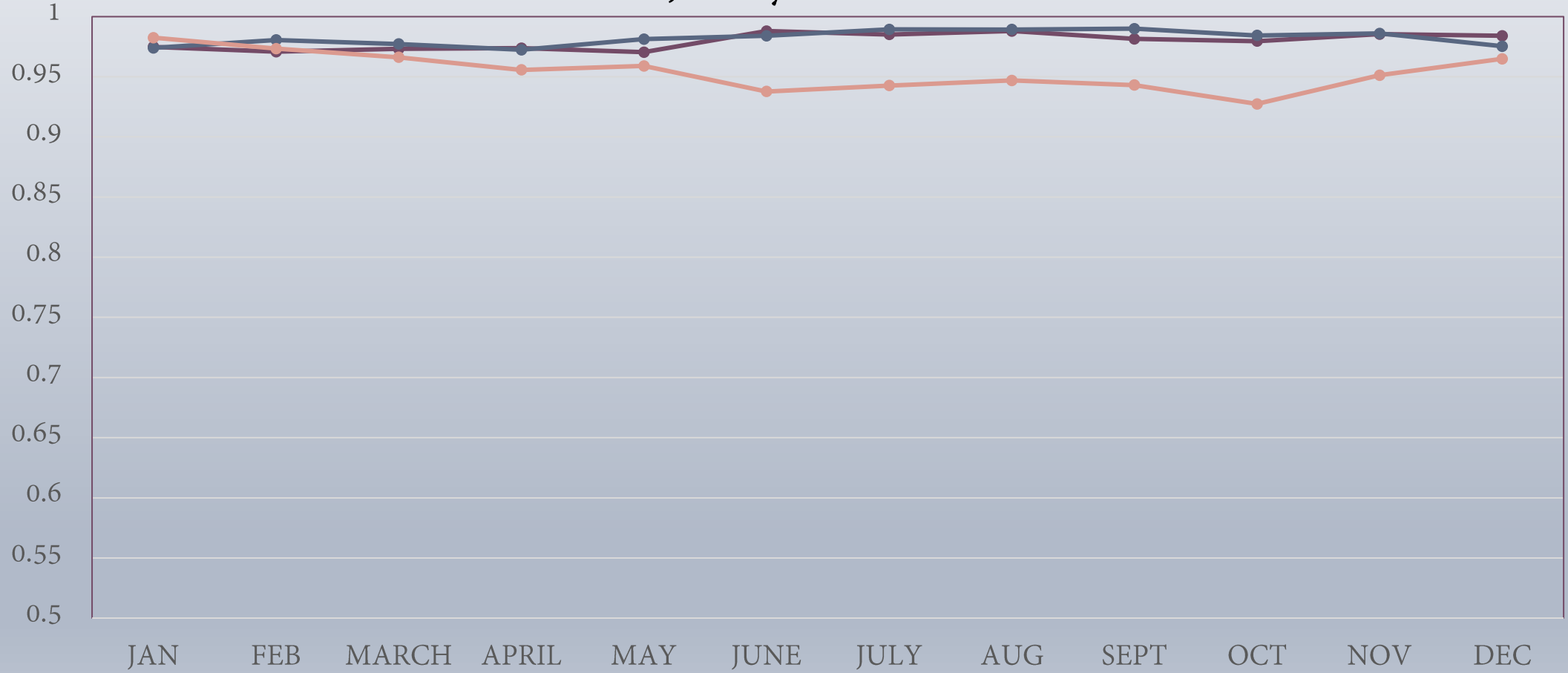
—●— 2019

—●— 2020

Accounts Receivable Aging by Months

90 Days

January - December



Months of Year

—●— 2018 —●— 2019 —●— 2020

Town of Reading, Massachusetts
Municipal Light Department
Statement of Net Assets
11/30/2020

	2020	2019
ASSETS		
Current:		
Unrestricted Cash	\$ 24,614,277	\$ 20,697,366
Restricted Cash	33,892,193	31,924,164
Restricted Investments	1,366,001	1,245,105
Receivables, Net	8,014,029	8,969,014
Prepaid Expenses	1,315,644	1,226,908
Inventory	2,028,924	1,812,646
Total Current Assets	71,231,067	65,875,203
Noncurrent:		
Investment in Associated Companies	810,370	639,937
Capital Assets, Net	82,687,471	79,801,845
Total Noncurrent Assets	83,497,842	80,441,782
Deferred Outflows - Pension Plan	8,102,116	5,779,858
TOTAL ASSETS	162,831,024	152,096,843
 LIABILITIES		
Current		
Accounts Payable	11,269,676	7,378,081
Accrued Liabilities	374,015	431,035
Customer Deposits	1,398,341	1,307,630
Advances from Associated Companies	200,000	200,000
Customer Advances for Construction	1,847,311	2,070,051
Total Current Liabilities	15,089,344	11,386,797
Non-current		
Accrued Employee Compensated Absences	2,151,067	2,354,824
Net OPEB Obligation	7,094,569	7,374,246
Net Pension Liability	14,610,001	10,781,819
Total Non-current Liabilities	23,855,637	20,510,889
Deferred Inflows - Pension Plan	1,964,276	2,105,560
TOTAL LIABILITIES	40,909,257	34,003,246
 NET POSITION		
Invested in Capital Assets, Net of Related Debt	82,687,471	79,801,845
Restricted for Depreciation Fund	10,556,099	8,937,315
Restricted for Pension Trust	6,365,431	5,878,179
Unrestricted	22,312,767	23,476,258
TOTAL NET POSITION	121,921,767	118,093,597
Total Liabilities and Net Assets	162,831,024	152,096,843

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
11/30/2020

	November Current Year	November Last Year	Year to Date Current Year	Year to Date Last Year
Operating Revenues				
Base Revenue	\$ 2,045,300	\$ 2,058,502	\$ 25,420,764	\$ 24,926,119
Fuel Revenue	2,083,084	1,984,454	23,419,518	25,136,654
Purchased Power Capacity & Transmission	2,381,024	2,310,172	29,992,222	31,766,703
Forfeited Discounts	37,563	44,509	750,337	739,673
Energy Conservation Revenue	48,824	49,269	593,436	588,530
NYPA Credit	(52,648)	(54,508)	(970,862)	(1,042,563)
Total Operating Revenues	6,543,147	6,392,399	79,205,416	82,115,115
Expenses				
Power Expenses:				
547 Purchased Power Fuel	1,694,706	2,042,479	23,146,673	24,963,626
555 Purchased Power Capacity	1,367,619	1,677,541	16,754,980	19,501,502
565 Purchased Power Transmission	937,292	737,309	13,001,277	11,824,809
Total Purchased Power	3,999,616	4,457,328	52,902,930	56,289,937
Operations and Maintenance Expenses:				
580 Supervision and Engineering	82,162	70,014	929,647	841,747
581 Station/Control Room Operators	37,778	64,498	444,043	464,218
582 Station Technicians	49,055	31,923	377,588	344,507
583 Line General Labor	44,539	49,531	517,043	317,405
585 Street Lighting	0	0	0	59,998
586 Meter General	13,581	10,632	131,155	116,227
588 Materials Management	30,834	37,541	392,107	320,132
593 Maintenance of Lines - Overhead	14,429	27,133	287,639	401,050
593 Maintenance of Lines - Tree Trimming	91,647	37,294	444,961	462,591
594 Maintenance of Lines - Underground	1,059	(3,369)	44,257	77,643
595 Maintenance of Line - Transformers	16,334	47,272	159,604	122,947
598 Line General Leave Time Labor	34,137	103,425	348,966	419,255
Total Operations and Maintenance Expenses	415,554	475,895	4,077,010	3,947,720
General & Administration Expenses:				
902 Meter Reading	558	0	1,397	2,834
903 Customer Collections	136,644	91,326	1,180,083	1,146,677
904 Uncollectible Accounts	8,750	8,750	96,250	96,250
916 Energy Audit	62,575	43,738	558,374	486,797
916 Energy Conservation	3,129	85,696	662,809	559,877
920 Administrative and General Salaries	138,782	154,899	1,839,504	1,734,536
921 Office Supplies and Expense	492	1,108	6,491	11,736
923 Outside Services - Legal	126,155	0	432,629	0
923 Outside Services - Contract	10,150	37,466	273,212	540,860
923 Outside Services - Education	5,631	9,371	38,386	70,884
924 Property Insurance	29,739	29,016	353,644	319,671
925 Injuries and Damages	0	2,467	3,723	65,581
926 Employee Pensions and Benefits	170,635	440,148	3,210,451	3,238,732
930 Miscellaneous General Expense	51,029	28,816	219,671	218,337
931 Rent Expense	13,941	13,990	191,159	190,917
933 Vehicle Expenses	25,563	19,219	186,695	275,241
933 Vehicle Expenses - Capital	(24,741)	(19,008)	(311,218)	(291,937)
935 Maintenance of General Plant	35,883	23,591	484,699	393,007
935 Maintenance of Building & Garage	59,850	84,771	1,027,378	743,018
Total General & Administration Expenses	854,765	1,055,365	10,455,337	9,803,019

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
11/30/2020

Other Operating Expenses:

403 Depreciation	391,601	377,166	4,307,606	4,148,826
408 Voluntary Payments to Towns	133,917	130,806	1,473,092	1,438,863
Total Other Expenses	<u>525,518</u>	<u>507,972</u>	<u>5,780,698</u>	<u>5,587,689</u>
Operating Income	747,695	(104,161)	5,989,442	6,486,750

Non Operating Revenues (Expenses):

419 Interest Income	13,741	38,751	247,162	455,445
419 Other	110,008	39,988	1,296,764	1,063,779
426 Return on Investment to Reading	(206,709)	(206,709)	(2,273,797)	(2,273,797)
426 Loss on Disposal	0	0	0	0
431 Interest Expense	(2,279)	(1,384)	(46,748)	(28,388)
Total Non Operating Revenues (Expenses)	<u>(85,238)</u>	<u>(129,354)</u>	<u>(776,620)</u>	<u>(782,962)</u>
Change in Net Assets	662,457	(233,516)	5,212,822	5,703,788

Net Assets at Beginning of Year	116,708,946	112,389,809	116,708,946	112,389,809
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Ending Net Assets	<u><u>117,371,403</u></u>	<u><u>112,156,293</u></u>	<u><u>121,921,767</u></u>	<u><u>118,093,597</u></u>
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Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
11/30/2020

	Actual YTD NOV 2020	Budget Through NOV 2020	OVER/ (UNDER) \$	OVER/ (UNDER) %
Operating Revenues				
Base Revenue	\$ 25,420,764	\$ 26,620,677	\$ (1,199,913)	(4.5%)
Fuel Revenue	23,419,518	25,724,947	(2,305,428)	(9.0%)
Purchased Power Capacity & Transmission	29,992,222	34,567,145	(4,574,923)	(13.2%)
Forfeited Discounts	750,337	798,620	(48,283)	(6.0%)
Energy Conservation Revenue	593,436	603,793	(10,356)	(1.7%)
NYP&A Credit	(970,862)	(1,043,186)	72,324	(6.9%)
Total Operating Revenues	79,205,416	87,271,995	(8,066,579)	(9.2%)
Expenses				
Power Expenses:				
555 Purchased Power Fuel	23,146,673	24,681,761	(1,535,088)	(6.2%)
555 Purchased Power Capacity	16,754,980	20,585,713	(3,830,732)	(18.6%)
565 Purchased Power Transmission	13,001,277	13,981,433	(980,156)	(7.0%)
Total Purchased Power	52,902,930	59,248,906	(6,345,976)	(10.7%)
Operations and Maintenance Expenses:				
580 Supervision and Engineering	929,647	1,033,879	(104,232)	(10.1%)
581 Station/Control Room Operators	444,043	436,921	7,122	1.6%
582 Station Technicians	377,588	497,868	(120,281)	(24.2%)
583 Line General Labor	517,043	362,895	154,149	42.5%
585 Street Lighting	0	67,021	(67,021)	(100.0%)
586 Meter General	131,155	133,368	(2,213)	(1.7%)
588 Materials Management	392,107	462,452	(70,345)	(15.2%)
593 Maintenance of Lines - Overhead	287,639	919,722	(632,083)	(68.7%)
593 Maintenance of Lines - Tree Trimming	444,961	824,166	(379,205)	(46.0%)
594 Maintenance of Lines - Underground	44,257	103,208	(58,950)	(57.1%)
595 Maintenance of Line - Transformers	159,604	204,818	(45,215)	(22.1%)
598 Line General Leave Time Labor	348,966	521,738	(172,772)	(33.1%)
Total Operations and Maintenance Expenses	4,077,010	5,568,055	(1,491,045)	(26.8%)
General & Administration Expenses:				
902 Meter Reading	1,397	19,470	(18,073)	(92.8%)
903 Customer Collection	1,180,083	1,083,056	97,027	9.0%
904 Uncollectible Accounts	96,250	96,250	0	0.0%
916 Energy Audit	558,374	593,559	(35,185)	(5.9%)
916 Energy Conservation	662,809	878,868	(216,059)	(24.6%)
920 Administrative and General Salaries	1,839,504	1,934,105	(94,602)	(4.9%)
921 Office Supplies and Expense	6,491	18,333	(11,842)	(64.6%)
923 Outside Services - Legal	432,629	456,867	(24,238)	(5.3%)
923 Outside Services - Contract	273,212	331,146	(57,934)	(17.5%)
923 Outside Services - Education	38,386	244,727	(206,341)	(84.3%)
924 Property Insurance	353,644	401,042	(47,398)	(11.8%)
925 Injuries and Damages	3,723	23,467	(19,744)	(84.1%)
926 Employee Pensions and Benefits	3,210,451	3,377,430	(166,979)	(4.9%)
930 Miscellaneous General Expense	219,671	290,846	(71,174)	(24.5%)
931 Rent Expense	191,159	194,333	(3,174)	(1.6%)
933 Vehicle Expense	186,695	305,800	(119,105)	(38.9%)
933 Vehicle Expense - Capital Clearing	(311,218)	(206,365)	(104,853)	50.8%
935 Maintenance of General Plant	484,699	361,570	123,129	34.1%
935 Maintenance of Building & Garage	1,027,378	833,140	194,238	23.3%
Total General & Administration Expenses	10,455,337	11,237,644	(782,307)	(3.5%)

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
11/30/2020

Other Operating Expenses:

403 Depreciation	4,307,606	4,339,500	(31,894)	(0.7%)
408 Voluntary Payments to Towns	1,473,092	1,482,855	(9,763)	(0.7%)
Total Other Expenses	<u>5,780,698</u>	<u>5,822,355</u>	<u>(41,657)</u>	<u>(0.7%)</u>

Operating Income	5,989,442	5,395,035	594,406	11.0%
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Non Operating Revenues (Expenses):

419 Interest Income	247,162	320,833	(73,672)	(23.0%)
419 Other Income	1,296,764	779,167	517,597	66.4%
426 Return on Investment to Reading	(2,273,797)	(2,273,797)	0	(0.0%)
426 Loss on Disposal	0	(91,667)	91,667	(100.0%)
431 Interest Expense	(46,748)	(22,917)	(23,832)	104.0%
Total Non Operating Revenues (Expenses)	<u>(776,620)</u>	<u>(1,288,381)</u>	<u>511,761</u>	<u>(39.7%)</u>

Net Income	<u>5,212,822</u>	<u>4,106,655</u>	<u>1,106,167</u>	<u>26.9%</u>
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INTEGRATED RESOURCES REPORT

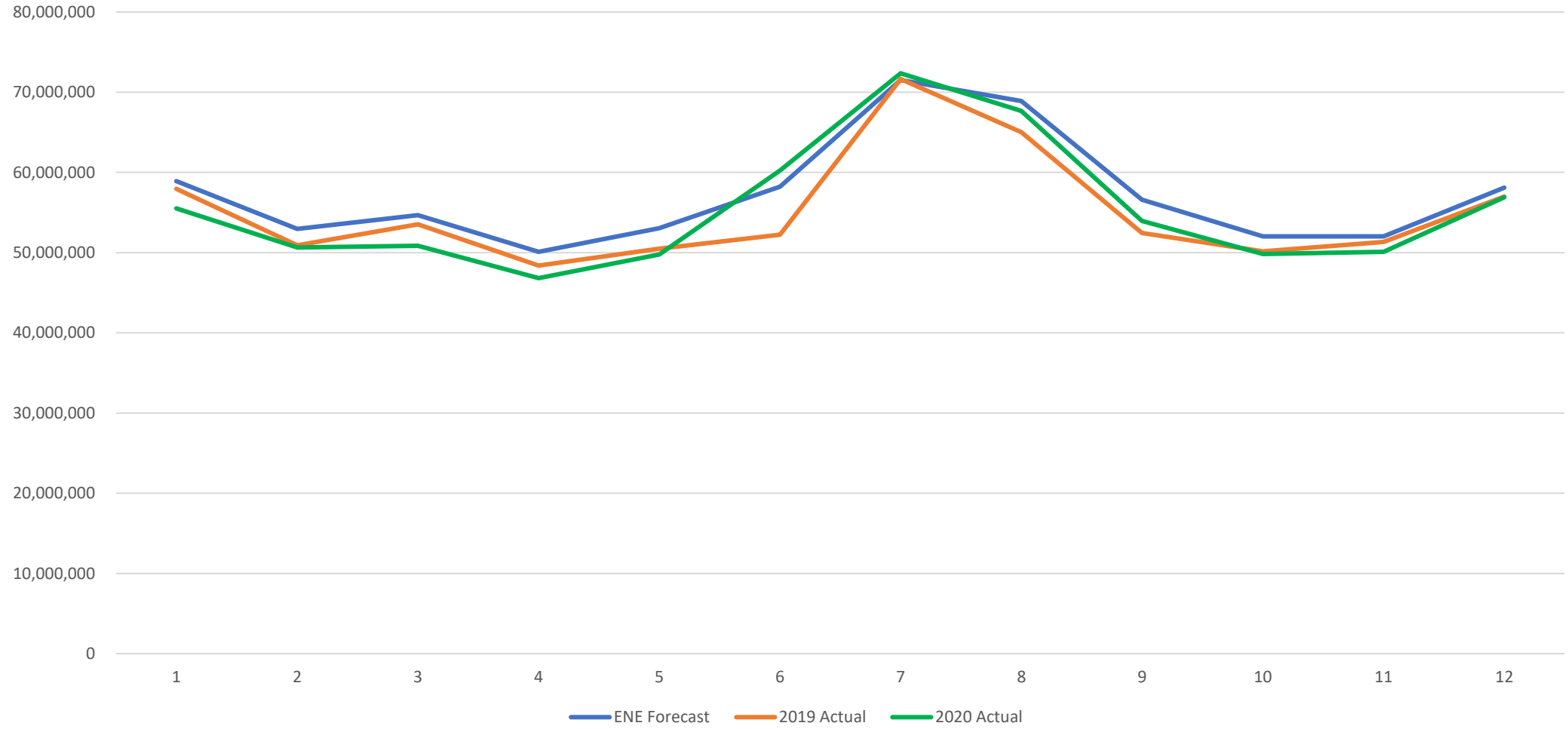
ATTACHMENT 4



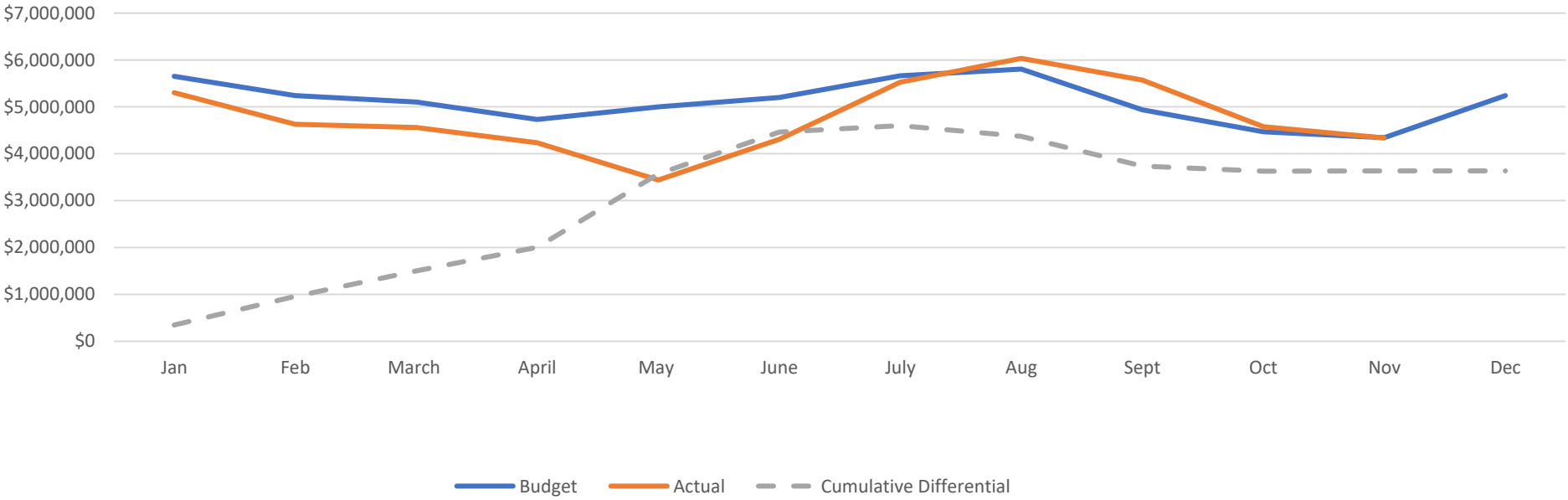
Board of Commissioners
Meeting
January 20, 2021

*Charles Underhill,
Director of Integrated
Resources*

2020 RMLD Total System Loads



RMLD Purchase Power Expense
Budget Versus Actual Through
November, 2020



RMLD TFA Transactions

December 30, 2020

(MWHs)	2021	2022	(\$'s)	2021	2022
January	10,320.8	0.0	January	\$371,549	\$0
February	3,155.2	0.0	February	\$113,587	\$0
March	1,870.8	1,387.5	March	\$67,349	\$49,950
April	846.4	460.8	April	\$30,470	\$16,589
May	6,254.4	1,672.8	May	\$225,158	\$60,221
June	5,339.2	0.0	June	\$192,211	\$0
July	0.0	0.0	July	\$0	\$0
August	1,646.4	0.0	August	\$59,270	\$0
September	1,728.0	1,305.6	September	\$62,208	\$47,002
October	0.0	0.0	October	\$0	\$0
November	1,925.0	0.0	November	\$69,300	\$0
December	14,969.6	8,323.2	December	\$538,906	\$299,635
Total	48,055.8	13,149.9	Total	\$1,730,009	\$473,396
	700,000.0	700,000.0			
	6.9%	1.9%			

ENGINEERING & OPERATIONS REPORT

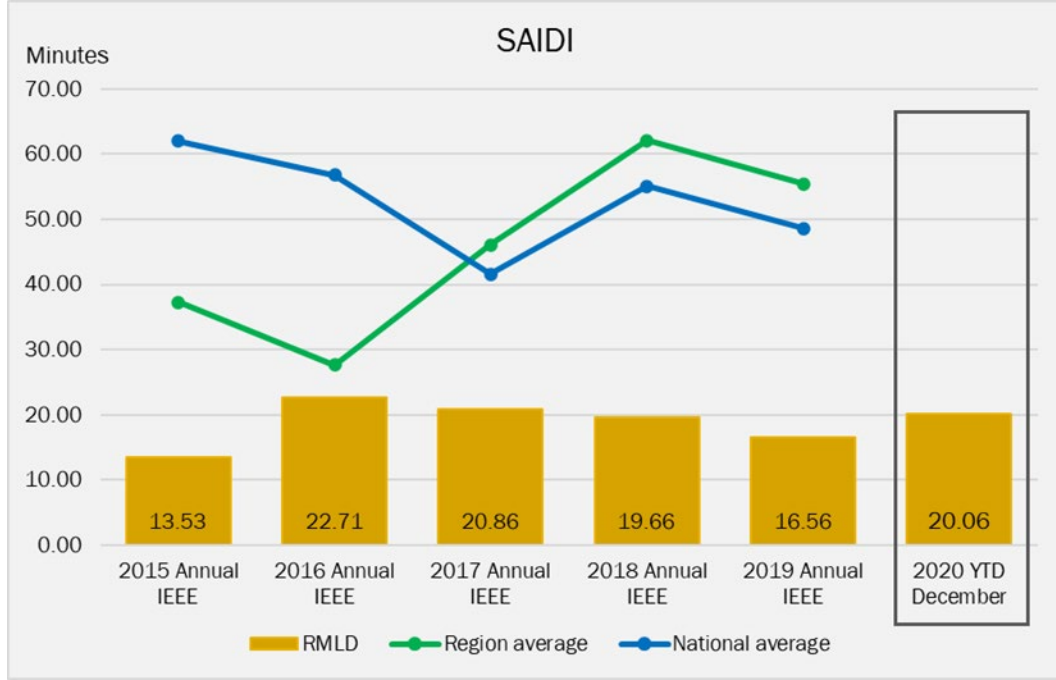
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ENGINEERING & OPERATIONS REPORT

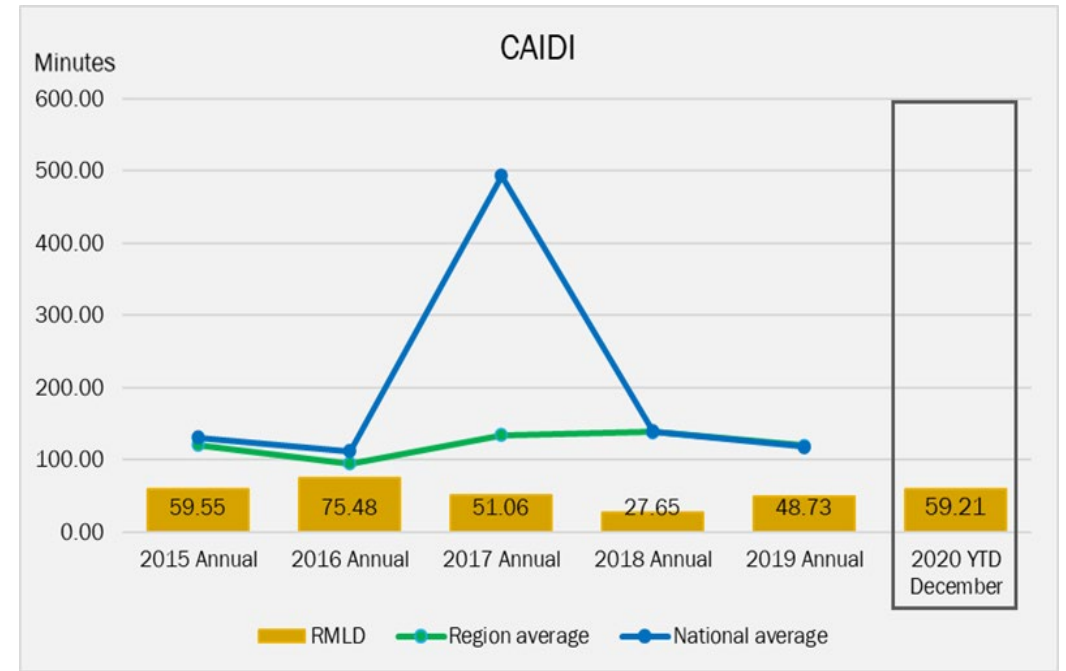
RMLD Board of Commissioners
RMLD Citizens' Advisory Board

January 20, 2021

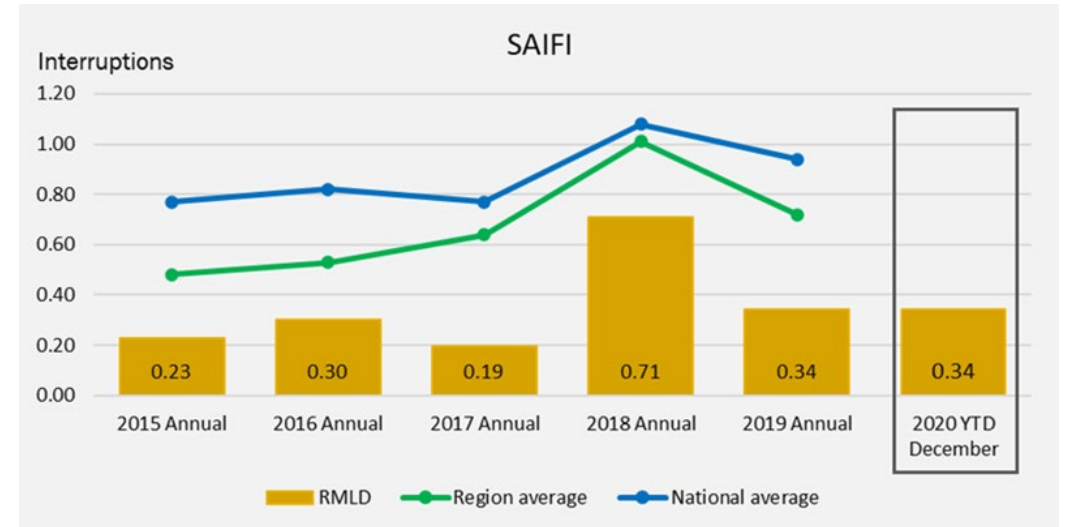
RMLD Reliability Indices



$$SAIDI \text{ (Minutes)} = \frac{\text{Total Duration of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

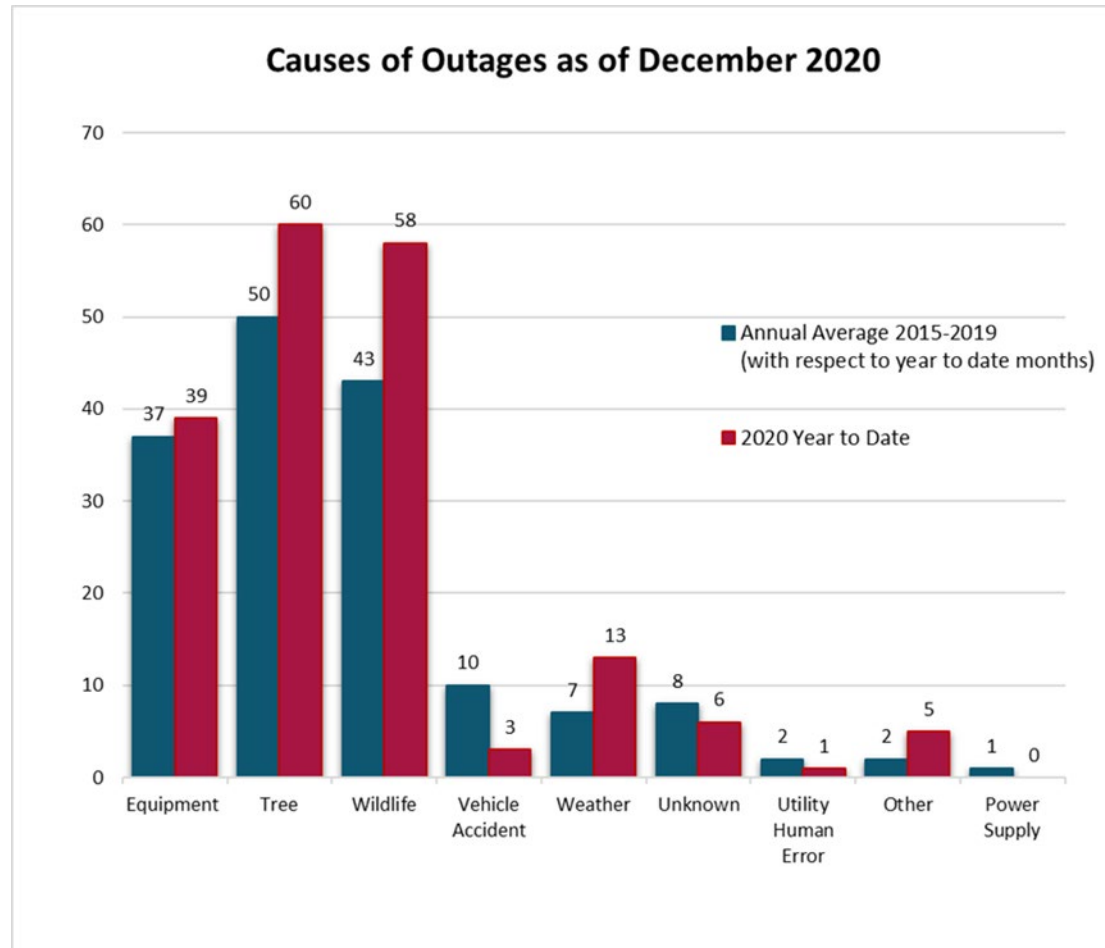


$$CAIDI \text{ (Minutes)} = \frac{\text{Total Duration of Customer Interruptions}}{\text{Total Number of Customer Interruptions}}$$



$$SAIFI = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

Note: APPA eReliability Tracker using IEEE beta threshold method for outages.



Other: (1) corroded connect; (2-3) fire (4) house fire; (5) power cut due to gas leak

Unknown: (1) burnt fuse; (2) two blown cutouts; (3) blown cutout; (4) inside problem; (5) blown cutout; (6) 4W4 operation

SERVICE REQUIREMENTS HANDBOOK UPDATES



IRD PROGRAMS



CONTRACTOR SERVICE REQUIREMENTS



IRD INCENTIVES



PRIMARY METERING



ENGINEERING IMPROVEMENTS



DISTRIBUTED ENERGY RESOURCES

Service Requirements Handbook Key Revisions

URDs (No Change): Developer to pay for transformer and cable installation including termination/elbows.

Non-URDs (i.e. Commercial/Industrial, Mixed Use, Apartment Buildings): **RMLD** to provide transformer(s) for all customers **up to and including 750 kva transformation**. Customer to pay for primary cable plus labor.

Primary Metering: RMLD discretion on primary metering evaluation consists of the following guidelines, but not limited to:

- **Over 1500 KVA load single or cumulative**
- **One account**
- **RMLD's discretion (i.e., difficult to access, long primary distribution, etc.)**

Service Manual Handbook

IRD PROGRAMS



CONTINUE TO PROMOTE ENERGY EFFICIENCY

CONTINUE ENVIRONMENTAL
AWARENESS



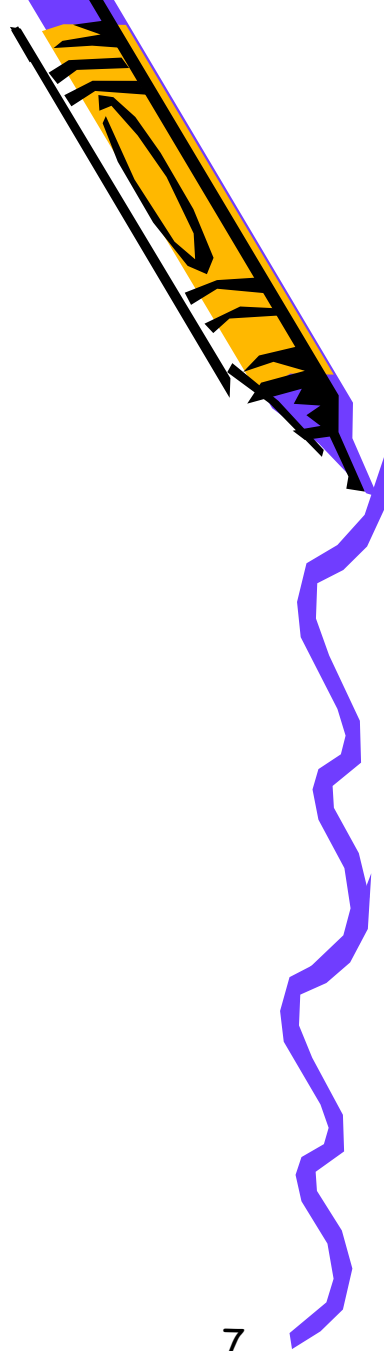
PROMOTE ELECTRIFICATION

- PROMOTE Electrification Program Incentives through rebates.
 - Heat pumps
 - EV charges
 - Panel Upgrades
 - Outside Appliances
- Best Utility Business Practices

Thank You



Question?



PROCUREMENT REQUESTS

Attachment 6



January 5, 2021

Town of Reading Municipal Light Board

Subject: IFB 2020-30 Substation 4 Air Conditioning Project

Pursuant to M.G.L., c. 30 § 39M, on December 2, 2020, an invitation for bid was placed as a legal notice in the Middlesex East Section of the Daily Times Chronicle, was published in the Central Register, and was posted on COMMBUYS and the RMLD website, requesting sealed bids for Substation 4 Air Conditioning Project.

An invitation for bid was sent to the following twenty-six (26) companies:

AAA Energy Service Co.	Ambient Temperature Corporation	BidPrime, Inc.
Boston Mechanical Services, Inc.	Breen and Sullivan Mechanical Services, Inc.	CAM H.V.A.C. & Construction Inc.
Carriere HVAC, Inc.	Central Cooling & Heating, Inc.	ConstructConnect, Inc.
Controlled Systems HVAC, Inc.	Cooling and Heating Specialists, Inc.	Cooling Unlimited, Inc.
Cranney Companies, Inc.	Davison Co., Inc.	Dodge Data & Analytics
ENE Systems, Inc.	General Air-Conditioning/Heating, Inc.	Johnson Controls, Inc.
Kneeland Construction Corporation	Limbach Company	N.B. Kenney Company, Inc.
Prime Vendor, Inc.	Projectdog, Inc.	The Blue Book
The Blue Book Building & Construction Network	Total Temperature Control, Inc.	

Sealed bids were received from two (2) companies: Ambient Temperature Corporation and Kneeland Construction Corporation.

The sealed bids were opened and read aloud via a video Zoom meeting* at 11:30 a.m., December 29, 2020, in the Town of Reading Municipal Light Department's Engineering and Operations Room, 230 Ash Street, Reading, Massachusetts. After conclusion of the bid opening, the bid results were posted on the RMLD website and sent to all vendors who submitted a bid.

**Due to the COVID-19 restrictions, the RMLD building is closed to the public.*

The bids were reviewed, analyzed, and evaluated by staff and recommended to the General Manager.

Move that bid 2020-30 for Station 4 Air Conditioning Project be awarded to: **Ambient Temperature Corporation for \$104,600.00**, pursuant to M.G.L., c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager.

¹See attached analysis.

The 2020-2021 Capital Budget amount for this item is \$145,000.



Paul McGonagle

Paul McGonagle (Jan 13, 2021 09:38 EST)

Paul McGonagle

John McDonagh

John McDonagh (Jan 13, 2021 10:31 EST)

John McDonagh

Hamid Jaffari

Hamid Jaffari (Jan 13, 2021 14:04 EST)

Hamid Jaffari

Coleen O'Brien

coleen obrien (Jan 13, 2021 14:17 EST)

Coleen O'Brien

**Station 4 Air Conditioning Project
IFB 2020-30**

Bidder	<u>Total Price</u>	<u>Meet Requirements</u>	<u>Exceptions</u>
Ambient Temperature Corporation	\$104,600.00	Yes	No
Kneeland Construction Corporation	\$156,700.00	No	No