



**READING MUNICIPAL
LIGHT DEPARTMENT**

BOARD OF COMMISSIONERS MEETING

REGULAR SESSION

THURSDAY, AUGUST 12, 2021

ATTACHMENT 1
APPROVAL OF BOARD MINUTES



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2021-03-18

Time: 7:30 PM

Building:

Location:

Address:

Session: Open Session

Purpose: General Business

Version: Draft

Attendees: **Members - Present:**

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

Members - Not Present:

Others Present:

RMLD Staff: Ms. Coleen O'Brien, General Manager; Mr. Hamid Jaffari, Director of Engineering and Operations; Mr. Charles Underhill, Director of Special Project; Mr. Greg Phipps, Director of Integrated Resources; Ms. Wendy Markiewicz, Director of Business and Finance; Ms. Janet Walsh, Director of Human Resources; Ms. Kathleen Rybak, Operational Assistant Engineering and Operations; Ms. Marguerite Quigley, Executive Assisitant - Temp

Citizens' Advisory Board: Mr. Jason Small, Chair, North Reading

Others: Mr. Bob Connor

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

Topics of Discussion:

PER GOVERNOR BAKER'S MARCH 10, 2020, ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW, G.L. c. 30A, §20, THIS MEETING WAS HELD REMOTELY VIA ZOOM.

1. Call Meeting to Order

Chair Stempeck called the meeting to order at 7:33 PM 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 noted that Mr. Pacino will be the Board Secretary.

2. Public Comment

a. Citizens' Advisory Board/RMLD BOC Report from CAB Meeting

Mr. Small, CAB Chair had nothing to report on at this time.

Chair Stempeck was the Board representative at the CAB meeting; He reported that the presentations made by staff were excellent.

b. Liaisons to RMLD Board

There were no liaisons present.

Public Comment

Chair Stempeck opened public comment.

Mr. Connor asked for clarification on how public comment is addressed at RMLD Board meetings. Chair Stempeck responded that public comment was changed to the Select Board format. Public comment was opened at the end of the last meeting due to the amount of material on the agenda and timing constraints.

3. Approval of Board Minutes

Mr. Pacino made a motion, seconded by Mr. Hennessy, to approve the meeting minutes of November 19, 2020, December 3, 2020, and December 16, 2020, on the recommendation of the General Manager.

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

Motion carried 5:0:0.

Mr. Pacino noted that Mary Ellen O'Neill, former chair commissioner, reminded us that the Commission was behind on the minutes; a reminder of the importance of being timely was sent to a former RMLD staff member. Ms. O'Brien responded that the RMLD is currently up to date with the minutes and has secured a transcription company to transcribe the minutes.

4. General Manager's Report – Ms. O'Brien, General Manager

a. Community Update

Heat Pump Webinar

Took place on March 2 and was well attended (125 live participants and 250 views of the webinar recording). This is being aired on the community TV stations.

Annual Report

The RMLD 2020 Annual Report will be out in June, the winning high school student's artwork will be the cover. The art contest deadline was March 15; 21 students submitted artwork. This year's cover is "Resiliency"; the artwork was inspiring. This is the fifth year RMLD has used high school student's art. RMLD rewards all students who send submissions. Chair Stempeck complimented the students' artwork submissions.

Virtual EV Workshop

Will be held on April 27 at 7:00 pm. Information will be sent out once formalized.

b. Electric Vehicle (EV) Grant Update

The RMLD is applying for Massachusetts state grants for EV charging stations at multiple locations, for both level twos and threes in Reading and Wilmington. The RMLD appreciates that the Select Boards provided their authorization. Ms. O'Brien and Mr. Phipps attended the Board of Library Trustees and obtained their permission. Wilmington has two sites for consideration.

c. 2020 Financial Update/Town Meeting Presentation

The RMLD changed to a calendar year, as result, Ms. O'Brien will present the findings at the Fall Town Meeting. The presentation details CY20 and highlights year to date. Subsequently, she will be making a presentation to the remainder of the service town Select Boards.

5. Review of Policies – Ms. O'Brien, General Manager

Ms. O'Brien sent out a summary table with updates on RMLD policies; a standard three-year review date mechanism has been implemented.

a. Policy 4: Smoking

Ms. O'Brien stated there are no recommended changes for Policy 4. If any of the laws change with respect to E cigarettes, vaping, etc. then it will be brought to the Board. Mr. Coulter asked if new hires are restricted from smoking; is non-smoking the standard. Ms. O'Brien replied that new hires are required to comply with all RMLD Board policies. Smoking is not permitted on premises or in trucks.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that Policy 4: Smoking be scheduled for the next periodic review without change.

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

Motion carried 5:0:0.

b. Policy 7: Paid Sick Leave

Policy 7 was reviewed for any legal changes; there are no recommended changes.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that Policy 7: Paid Sick Leave, be scheduled for the next periodic review without change.

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

Motion carried 5:0:0.

c. Policy 8: Other Post Employment Benefits (OPEB) Liability Trust Fund

Mr. Coulter asked relative to town trustee oversight; is it a component or independent? Ms. O'Brien replied it is independent. Mr. Coulter asked; why wasn't this shifted over with the other pension and benefits? Ms. Markiewicz responded this is the new trust; OPEB trust that was recently signed by the Board of Commissioners. Some of the legal language was changed in the policy to reflect proper chairpersons and to say that the trust is with the town, and the custodian is the treasurer.

Ms. O'Brien explained that the main change is the Declaration of Trust; Mr. Coulter was not on the Board on September 19, 2019, when it was signed. The town will be submitting this to Pension Reserves Investment Trust (PRIT), and that is why we had to recertify for the OPEB.

Before the vote is taken on the policy, there needs to be one addition of the date of September 19, 2019, in the first paragraph.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that Policy 8: Other Post-Employment Benefits (OPEB) Liability Trust Fund with the addition of the date September 19, 2019 as recommended in the first paragraph on the recommendation of the General Manager.

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

Motion carried 5:0:0.

d. Policy 12: Reading Municipal Light Board Documents Dissemination

There are no recommended changes in Policy 12.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that Policy 12: Reading Municipal Light Board Documents Dissemination be scheduled for the next periodic review without change.

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

Motion carried 5:0:0.

e. Policy 19: Board of Commissioners

Aside from Board Book Comments from KP Law and in specifics addressing OBEB language, there are no further recommendations.

Mr. Talbot commented that clarification is needed where it says the Board approves power supply contracts. There was discussion at recent meetings; it says the Commission does approve large power supply contracts.

Chair Stempeck stated that it is in the policy; Power Contracts, Agreements, and their resource mix, which happens after the 30-day review period by the CAB.

Mr. Talbot asked, why did not this happen with the biomass? The Board wants to know about and approve something of the magnitude of \$90 or \$150 million, the Commission had no knowledge.

Chair Stempeck responded that the policy does not differentiate between 10%, 30%, or 40%. Chair Stempeck has no issue with adding language that says, below a certain level the General Manager has the freedom to do the right thing in terms of capturing these kinds of elements, because there is always a question of time in terms of getting on board with power contracts.

Mr. Talbot agreed; If it is timely, the best practice is not to wait weeks to have a meeting for a transient opportunity, but when it is a long term, such as a 20-year contract for a plant that will not be built for three more years, it does not fit in that category.

Ms. O'Brien stated that she would bring all power contracts to the Board with the exception being Transaction Facilitation Annex (TFA). There is already a vote in place for layering and laddering small transactions through the TFA. Chair Stempeck confirmed.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners approve Policy 19: Board of Commissioners, as presented, on the recommendation of the General Manager.

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

Motion carried 5:0:0.

6. Power Supply Update – Mr. Underhill, Director of Integrated Resources

Mr. Underhill provided an update on RMLD's Power Supply, inclusive of the actuals for 2019/2020, which RMLD used for the 2021 load forecast for power supply. In 2020, RMLD finished above 2019's results (6/10ths of a percent); and below 2020 ENE forecast (about 3%). The load difference occurred in the first four or five months of 2020.

It was projected that there would be an 8% reduction in RMLD's retail sales due to COVID 19 isolation protocols; this did not happen. The differences between forecast and actual results are primarily due to weather related effects. Our industrial customers kept their production going; residential loads were up slightly; commercial traffic was down slightly; but overall, sales remained stable.

RMLD came in below our budgeted amount in January 2021; RMLD's portfolio in January showed forecasted kilowatt hour sales slightly below what was projected, as well as loads and energy prices. Part of this is due to slightly warmer temperatures attributing to a decrease in sales and load. Loads from 2019/2020 were used to forecast RMLD's peak and the monthly load factors. Loads were down slightly, and costs were down dramatically. Regular on peak costs were about \$20 - \$25 a MWh in early January; the low energy costs were a big piece of the savings component. RMLD's portfolio in January showed forecasted kilowatt hour sales slightly below what was projected, as well as loads and energy prices.

Capacity costs came in slightly above projection. Transmission costs were down by an offsetting amount. Capacity and transmission are rolled into the same price grouping on the customer bill, and the cost impact on that was essentially flat for the month of January.

7. Greenhouse Gas Emissions Standard/Policy 30 Update – Mr. Phipps

Assistant Director of Integrated Resources

Materials, Greenhouse Gas Emissions Standard/Policy 30 Update Presentation, as shown in the Board Book.

Mr. Phipps provided an update of Policy 30, reviewed a power portfolio hydro opportunity, a legislative update, and the certificate management plan.

Mr. Phipps discussed the information on the legislation update *Slide 3*. On March 18th the House approved the legislation; next, the Bill goes back to the governor and will likely be effective at the end of April.

Mr. Phipps discussed the information on Certificate Management *Slide 4*. Beginning in April, RMLD will transition to retiring certificates and will provide regular updates. RMLD will be retiring a larger portion of its portfolio each quarter. The remaining certificates, after completing the required retirements, will be sold. This is a means to buffer the financial impact going forward.

Mr. Phipps discussed the information on *Slide 5*. Past practice was to sell and retire certificates. RMLD will be implementing a more a disciplined approach with monitoring and managing these certificates monthly; there will be monthly internal updates, quarterly reports, and annual filings. Mr. Phipps noted that it is important that the Department manage them on a consistent basis and retire or sell as required for compliance.

Mr. Coulter asked, is the Department approaching the solar customers in Reading to buy their certificates? It might be an opportunity. Mr. Phipps responded that it is relatively small right now because most of those certificates are not owned by RMLD, they tend not to pass through RMLD's portfolio. For the short-term, the Department is not including those in any sort of compliance management. There are other opportunities that the Department will look at relative to some of our community solar, where the Department has the choice to participate or take an ownership role in those RECs, but right now, it is mainly the other resources.

Mr. Underhill noted that the RMLD is participating with DOER for incentives for small scale programs. Part of that requires that the RECs be turned over to the participating MLP and then retired.

Mr. Coulter asked would this apply to battery program? Mr. Phipps responded that batteries do not have certificates right now, but they will impact the way the solar plays out.

Mr. Talbot noted that he has a 4.65-kilowatt system on his roof; does RMLD get RECs from that and retires it? Mr. Underhill responded that if it is under the DOER program, with a DOER incentive, then that is correct.

Mr. Phipps discussed the NE Hydro Generator *Slide 6*. RMLD continuously aims to fill the open part of the power portfolio. RMLD has three existing projects (on a smaller scale) with Gravity Renewable, whose focus is hydro projects that they own or manage.

This hydro project will be able to start delivering power in the summer of 2021. It is an existing dam that started in 1870 as a mechanical dam; In the early 19th century, it transitioned to electric generation. There is a lot of history in terms of what the flows are associated with it. It is not a pumped hydro; it is a river-based system in Connecticut. It went through major relicensing back in the early 1980s. Hydro projects undergo extensive regulatory scrutiny from all sorts of issues, especially environmental related and are extensively reviewed during the FERC relicense.

This project has been family owned for many decades. Gravity Renewables is in the process of acquiring this asset and refurbishing it to bring it up to reliable standards. If contracted, this would be about 3.8% of RMLD's load; 25,000 megawatt hours per year and has associated RECs.

This project is undergoing relicensing; expected to be completed by 2026. RMLD anticipates those will be Connecticut Class 1 certificates, but as there is some uncertainty 15 and 25 years into the project, RMLD was provided an option for certificates that have a fixed price. This way, if the market softens, (highly unlikely) RMLD is not committing that far out to buy those certificates. If they maintain value, which is expected, then RMLD will have a fixed price option tied to those. RMLD is being strategic with long-term contracts regarding how

the RECs are managed. Between now, 2021 and 2026, these will be the equivalent of Maine class one certificates. These certificates will be able to be part of our compliance portfolio, and this reflected in the pricing.

This project is a non-carbon renewable with a long-term contract. While this contract is 25 years out, the rate is very good (less than \$2m a year); the project fits RMLD's portfolio and meets Policy 30 requirements. The RMLD recommends moving forward with this contract. It is with a company that the RMLD trusts and has a good track record with, from a compliance, environmental, and risk management perspective. This contract was approved by the CAB in the previous session.

Mr. Stempeck asked; is there any community pushback or anything environmental that the Commission needs to know of? Mr. Phipps commented that the only environmental related requirement from what is already there is putting in a fish ladder. The fact this place has been there for a long time speaks to the stability of all the environmental factors.

Mr. Hennessy asked about the river; Mr. Phipps responded that Gravity is trying to close the purchase and asked us not to reveal it.

Chair Stempeck clarified, from a flow perspective, there are dams ahead of this to try to maintain a constant flow. Mr. Phipps noted that is correct, a little steadier flow.

Mr. Coulter asked if there any river bladders (potential) involved? Mr. Underhill responded not that the RMLD is aware, this is run of the river.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners vote to accept the General Manager's recommendation to execute a contract with Gravity Renewables for energy, including associated certificates from a hydro facility in Connecticut. Roll call vote: Chair Stempeck, Aye; Mr. Hennessy, Aye; Mr. Pacino, Aye; Mr. Talbot, Aye; Mr. Coulter, Aye.

Motion carried 5:0:0.

Mr. Talbot asked about pricing; How does the pricing change over the life of the contract; is it a fixed price? Is that typical for hydro projects? Mr. Phipps responded that the actual price rate is fixed and is on the lower end of the average of RMLD's hydro projects. Relative to RMLD's total portfolio, hydro projects tend to be about 80% higher than the average unit price. That reflects the premium of being non-carbon and renewable. One of the reasons RMLD wants to move forward on this contract is there are not many of these projects available, and interest has heightened over the past month.

Mr. Talbot asked is there anything the Commission should know about, like a controversy? Mr. Phipps responded none known; the asset has been in place since the early 1900s. Mr. Talbot thanked Mr. Phipps for moving quickly on this.

8. Engineering & Operations Report – Solar/Battery System Impact Study Mr. Jaffari

Director of Engineering & Operations

Mr. Jaffari reported on RMLD's Reliability Report *Slide 2* RMLD's reliability is great, well below regional and national averages. Everything came in below the average for a five-year period (through February 2021) aside from weather and related outages.

Mr. Jaffari reported on the Solar and Battery System Capacity Study *Slides 4,5,6 and 7*. The study was performed in 2020 to find out the limitations on the system, the feeders, and to ensure RMLD is not exceeding those limitations. One of the goals was to find out what the operating limits are and ensure this does not impact the system reliability and safety. The study calculated the maximum capacity that RMLD can offer to customers for interconnection at every node as well as better tracking and control over the capacity limit. The deliverables were to perform an engineering analysis and provide a report with a data file containing an updated heat index map based on the GIS data provided; and to identify

the limiting factors (such as wires) and protective devices that need to be an upgraded to open more capacity.

Mr. Jaffari reported on the solar GIS map *Slide 5* which tracks requesting interconnection and monitors the heat index map for available capacity. To date there are approximately 90 installations and increasing.

RMLD engineers provided the system modeling for the consulting firm to minimize the cost of this study. Studies of this type generally cost between \$50K to \$100K; the completed study came in under \$20K. This RMLD information was integrated into the study; parameters such as system impedance; voltage; wire sizes; and protective devices were provided to a highly sophisticated software system to conduct the study.

As a result of the study, a heat index map *Slide 8* was created for every feeder or circuit systemwide. These maps are updated every six months which requires a few hours of PSE consultants.

Mr. Jaffari reported on the Solar Capacity Results *Slide 9* and System Limitations *Slide 10*. The capacity limitations are a shared responsibility that requires cooperation and collaboration between RMLD and its customers. RMLD strongly recommends using the smart inverters for solar systems which can control the power flow, reverse the power flow, and regulate the voltage. More companies are offering these advanced features which can be programmed by the customer or the technicians. Using the smart programmable inverters are the key to participation in RMLD's Demand Response (DR) program in the future. The intent is to protect RMLD's system reliability and safety to make sure the Department is not exceeding system limitations.

Mr. Jaffari commented on the System Limitations *Slide 10*. RMLD's procedure starts with E&O performing a preliminary analysis, then the customer will be advised to seek other solutions, such as: installing programmable Smart Inverter; installing batteries to store energy during the day and to use at night; participating in the peak shaving or demand response program when called for by RMLD.

Mr. Jaffari reported on RMLD's Business Process *Slide 11*. The process starts with the customer contacting RMLD's Customer Service department to request Solar/Battery interconnection to RMLD's distribution system. Customers are encouraged not to make any economic investments (residential or commercial) prior to contacting RMLD to find out the possible interconnection requirements and limitations. This allows customers to know the system limitations and options beforehand. From there, a series of steps occur internally to ensure the customer project moves from inception to completion. Interconnection is a shared responsibility between the customer and RMLD, which requires cooperation, and collaboration.

The RMLD Electrical Service Requirements Handbook (updated in 2021, located on RMLD's website) contains information for customers about the construction duties, responsibilities, and requirements.

Information on DG installations can be found in Section 13.1 on page 44.

9. Financial Report – December Financials (Unaudited Draft) – Ms. Markiewicz
Director of Business & Finance

Ms. Markiewicz stated that RMLD aims to present the audit to the Audit Committee in May. The draft audit findings are presented to the Audit Committee, who makes a recommendation to the Board of Commissioners; then the Board of Commissioners accepts the audit. After accepting the audit, the final financial statements, can be released to the public. This aligns with Ms. O'Brien's report to the Select Board in the service towns.

Ms. Markiewicz presented the unaudited draft of the financials prior to any pension and OPEB adjustments. Due to COVID, the focus is RMLD's ongoing relationship with customers; trying to provide leeway and extend services to provide further assistance.

The financials dipped in June, because of people experiencing the financial effects of COVID; and dipped again in October on receivables. Currently, RMLD is back at 96.5% cash in the bank, 90 days current; 90 days is a good judge as oftentimes utility bills get missed. RMLD does not impose any finance charges or penalties for late payments. Ms. Markiewicz addressed the depreciation reserve compared to capital spending. RMLD's capital improvements for the safety and reliability of the infrastructure is the only depreciation reserve that has to be held for capital projects. This is reflected in the capital spending. RMLD came in below the projected budget in CY20 (\$7.3m) in CY 20; but due to the COVID impact that is where RMLD ended.

On the operations and maintenance expenses, (actual expenses through 12/31/20), the budgeted expenses were approximately \$1.1m under budget, the majority of that is due to COVID. There are still a few outstanding invoices.

RMLD's biggest decrease in the budget was from vacancies in multiple areas due to talent pool, retirees, and resignations, which caused an overall decrease. The vacant positions were in grid asset management, station technicians, material management linemen, and administrative staff. COVID caused a decrease in spending particularly in tree trimming programs, which were halted or decreased because of the state mandate, as well as education and training programs which were cancelled or diminished.

Unforeseen events caused an increase in spending. Due to the new language in the union contracts, RMLD now allows employees to cash out buy back sick time (with strict guidelines in place). If employees meet the guidelines, they are encouraged to buy back the sick time because that eliminates the liability. Historically, the liability increases annually as payroll increases. This year, the liability decreased, which is positive for RMLD. Additional funds were spent on necessary roof repairs and the security monitoring measures for IT infrastructure due to the ransomware intrusion.

Mr. Coulter commented on the sick policy. The Department has a sick buyback liability, and it is working to make it better by encouraging employees to take the money now rather than later. Is that something the Department should revisit in the sick policy to potentially limit that exposure in the future? Ms. Markiewicz responded that in the past contract, Ms. O'Brien worked hard to minimize the sick time (unlimited 90, 60, 30 days for new employees). Through negotiations, Ms. O'Brien was able to get it down to 30 days. In the past many employees have had unlimited sick leave buyback. As employees retire, that is diminishing, and as new hires come in, they are limited to 30 days.

10. RMLD Procurement Requests Requiring Board Approval – Mr. Jaffari
Director of Engineering & Operations

IFP 2020-47 HVAC/Ice Machines Maintenance and Repair

Mr. Jaffari reported that this bid was sent to 25 companies: one respondent. Bidders did not respond because they either did not have the DCAM certifications, or they could not provide services for both the ice machines and the HVAC system. It saves RMLD money if both services are performed by the same vendor. Last time, Ambient Temperature was awarded the bid for \$89,808. For this bid they came in higher at \$118,056. This was due to COVID restrictions; the CDC mandated requirements to change the air filters to nerve DASH-13 filters and increased the frequency from four to six times a year.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that IFP 2020-47 for HVAC and Ice Machines Preventative Maintenance Service be awarded to Ambient Temperature Corporation for \$118,056.00, pursuant to M.G.L., c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager. This is a three-year contract.

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

Motion carried 5:0:0.

IFP 2021-03 ABB OVR-3 15kV Reclosers

Mr. Jaffari reported that this bid was sent to 14 vendors, two respondents. The lowest responsible and responsive bidder was Stuart Irby, approximately \$1,000 less than Wesco. This was slightly over the budgeted amount (\$100K for five units). by \$1,215.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that IFP 2021-03 for ABB OVR-3 15kV Reclosers be awarded to: Stuart C. Irby Company for a total of \$101,215.00, pursuant to M.G.L. c. 164 § 56D, on the recommendation of the General Manager.

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

Motion carried 5:0:0.

IFP 2021-09 Pole Mounted Transformers

Mr. Jaffari reported that the bid was sent to 18 vendors, four respondents. The lowest responsible and responsive bidder was Wesco Distribution for \$120,074. These transformers are for system reliability and for maintenance for both overhead and underground applications.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that bid IFP 2021-19 for pole mounts and transformers be awarded to Wesco Distribution Inc for \$120,074 pursuant to M.G.L. c. 164 § 56D on the recommendation of the General Manager.

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

Motion carried 5:0:0.

IFP 2021-10 Pad Mounted Transformers

Mr. Jaffari reported that the bid was sent to 21 bidders, five respondents. This was for 14 transformers for underground projects. The lowest responsive and responsible bidder was Wesco Distribution for \$194,274.00.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that IFP 2021-10 for Pad Mounted Transformers be awarded to: WESCO Distribution, Inc. for \$194,274.00, pursuant to M.G.L. c. 164 § 56D, on the recommendation of the General Manager.

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

Motion carried 5:0:0.

11. Scheduling – Chair Stempeck

Next RMLD Board Meeting: Thursday, April 22, 2021

CAB Meeting Coverage, Thursday, April 22, 2021 – Commissioner Pacino

12. 2020 Review of General Manager – Chair Stempeck

Chair Stempeck stated that this has been a particularly difficult year for everyone. RMLD stayed the course and that was directly attributed to the leadership role that Ms. O'Brien played in the organization. The format for the GM performance review was changed from a point system to a 360-degree review. This review was conducted late due to COVID; and this payment raise, etc., will be retroactive back to January 1, 2021.

Ms. O'Brien sent out goal narratives with a list of accomplishments, changing from a point system to quarterly check in. The goals included the Wilmington Substation, the Ash Street campus (put on hold due to COVID), solar battery system, impact study, master sell agreement and electrification workshop. Despite COVID, RMLD had a successful year. The Chair and Ms. O'Brien met on a weekly basis, provided updates, and sent memos, as a mechanism of staying transparent. The RMLD has, and will continue to do, an outstanding job of providing excellent detail. The Commission appreciates everyone keeping up with all the technicalities of this engineering organization.

Mr. Hennessy stated that Ms. O'Brien and her team had a lot to go up against during this pandemic year; and Ms. O'Brien accomplished all the key goals that are in her control. There are many things that you cannot control, like the land in Wilmington. There are many stakeholders - union employees, nonunion employees, commercial, residential, that Ms. O'Brien has, who set demands. Ms. O'Brien met those demands, resiliency during a very

tough year. Mr. Hennessy noted that there are challenges that Ms. O'Brien faces that others would not, being in a male dominated industry. Mr. Hennessey shared congratulations on an impressive year.

Mr. Talbot made a comment on the process; noting that he received all the emails from Ms. O'Brien with her achievements and letter, and some salary comparisons, but none of that was in the board book. Should that material be in the board book as a matter of process, openness? Chair Stempeck commented that he believes there is no issue with including it.

Ms. O'Brien said that the goal narrative can be put it in the Board book. Ms. O'Brien added that the goal information will be transparent and found in the annual report.

Mr. Talbot noted that it was a lot of information to process. Mr. Talbot thanked Ms. O'Brien for all her hard work and all the great engineering that is done at RMLD. Mr. Talbot echoes the comments of Mr. Hennessy about COVID and the excellent way it has all been handled. It is worth acknowledging. Mr. Talbot asked what Ms. O'Brien's assessment of the biomass is, as she looks back at the decision she made and what has happened in the last six months. What are her own reflections on that?

Ms. O'Brien responded that she did not discuss it specifically in her goals narrative because it has been discussed continuously over the last six months. It was clearly stated at the beginning, she was following the policy as it has been implemented. RMLD has been focused on obtaining renewables at a pretty good clip to make the percentage goals that were in the policy. The RMLD is actively adding renewable projects and presenting them every month. Palmer was presented in February and November. The Department has learned a lot about environmental justice. That is something the RMLD is very interested to see for new projects coming out. RMLD was asked to provide options and provided options quickly. Everything will be brought to the Board. That is why Policy 30 reflects that.

Mr. Pacino stated that he agrees with many of the same things that Messrs. Hennessy and Talbot have said. Mr. Pacino complimented Ms. O'Brien on her handling of the IT situation and thanked her for that and for all her services.

Mr. Coulter stated that he has a unique perspective coming from the industry. At first, Mr. Coulter was very neutral and blind to the inner workings of the RMLD model; he has been extremely impressed by Ms. O'Brien, the staff and all the employees at RMLD. Mr. Coulter commented that it is a small tight knit group, and he is very impressed with the organization to date, its accomplishments with the budget, and the personnel. It has been a pleasure and hope it continues. Mr. Coulter noted that when Ms. O'Brien finds an obstacle, she gets through it, and meets the challenges every day. Kudos to yourself and all the staff at RMLD.

Mr. Hennessy noted that he is impressed with the staff that Ms. O'Brien has hired who are in this Zoom meeting. In addition, a lot of the credit goes to her because she brought them here and developed them. Ms. O'Brien commented that RMLD is building a good team.

Chair Stempeck proposed the following numbers to be added to the motion, a 4% salary increase and a \$6,000 bonus. Chair Stempeck opened that to discussion.

Mr. Talbot asked Chair Stempeck to address the comparisons of where RMLD stands in terms of the General Manager salary. Chair Stempeck stated the data that Mr. Talbot is referring to is produced by MEAM, which covers all the municipals in terms of salary versus the revenue of the municipal. The numbers referenced are from 2020. In the meantime, others have received an increase in this past year. Because of this, Chair Stempeck is suggesting a 4% increase and a \$6K bonus. The union increase this year is 3%.

Mr. Hennessy asked for the prior salary increases. Chair Stempeck responded that 2019 - 4%, 2018 - 4.5%, 2017- 4.5%, 2016 - 6%, 2015 - 3.6%, 2014 - 3%. Her starting salary was \$165,000. She was starting at a significantly lower salary in those days because, she

was just hired and the Commission was bringing in a new person that had to prove that she could handle the load and do whatever was needed, Ms. O'Brien has accomplished that.

Mr. Talbot said that the MEAM salary comparison showed there are four municipal managers who make more than Ms. O'Brien. There are 41 municipal light plants, Taunton, Holyoke, and Braintree whose managers earn more but also have a broadband business. There also may be one other manager above \$212,000. Mr. Talbot noted that Ms. O'Brien receives \$800 monthly for her vehicle. It is not about performance or raises, what is the market and our obligation to the ratepayer. He does not see the market justification for keeping going so much higher

Mr. Coulter commented that he is comfortable with the percentage of the raise. In a year there are two important things the Commission should base everything on, to keep the rates low, and the reliability significantly lower than others. The General Manager accomplished the goals that we wanted. If the revenue stream is good, which it is, that is another positive. The 4% in this industry is a good raise. On the bonus side, maybe even a little bit higher, he would be more than willing to make that increase.

Mr. Hennessy noted that he is comfortable with both numbers because it is very consistent with what raises we have given Ms. O'Brien in the General Manager position since he has been around, and it has been in the mid-range. This has been an extremely difficult year, and she has met the challenge for this year. He is fine with the numbers the way they are.

Mr. Pacino stated that after hearing what Mr. Coulter had to say he is comfortable with the numbers.

Mr. Talbot said that he would propose a 2% raise, with a small bonus. The current salary suggestion is too much. Soon, it is going to be the highest salary in the state, and he does not see the justification for it.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners approve a 4% salary raise and a \$6,000 bonus retroactive to January 1, 2021 and to be paid as Ms. O'Brien chooses as ICMA, cash or combination of the two.

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

Motion carried 4:1:0. Mr. Talbot voted against the motion.

13. Reorganization of the RMLD Board of Commissioners – Chair Stempeck

Chair Stempeck put forth the notion of a reorganization of the Commission's officer for the coming year at this meeting. This would provide continuity to the leadership and avoid any possible lapse in direction to the Department.

Mr. Talbot noted that the Commission has never done a reorganization at this point in the cycle during his tenure on the Commission. He requested that the Commission defer the reorganization until after the upcoming election.

Chair Stempeck said that it is very close to when we usually do it. He restated that the purpose is to avoid any possible gap in leadership.

Mr. Talbot responded that the Commission traditionally has a reorganization after the election when there is a new Board in place. Chair Stempeck commented that he is putting forward an innovative process to address the continuing leadership of the Commission.

Mr. Hennessy added that he agrees with Mr. Talbot's position to defer the reorganization until after the election.

Mr. Pacino was asked if the Commission had done a reorganization before the election at any time during his 34 years on the Commission. He replied in the negative.

Mr. Coulter added that he agrees with the purpose behind the reorganization at this point in time. He reiterated his experience of coming on the Commission and going through a learning curve.

Mr. Pacino was asked to put forth the motion to nominate the new Commission officers for the coming period. He stated that he believed it was an innovative idea. However, seeing that the Commission was evenly split on the idea of a reorganization at this meeting, he stated there is not enough consensus to go forward and thus declined to make the motion. Chair Stempeck then stated that we will forego the motions related to the reorganization of the Commission.

14. Executive Session

At 9:44 PM, Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners go into executive session pursuant to Mass General laws, Chapter 164 Section 47(d) exemption from public records and open meeting requirements in certain instances to discuss comparatively sensitive issues regarding options for power supply and to consider the purchase, exchange, lease or value or really property and return to regular session for the sole purpose of adjournment.

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

Motion carried 5:0:0.

15. Adjournment

After reverting back to Regular Session, at 10:02 PM, Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board adjourn.

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

Motion carried 5:0:0.



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2021-04-22

Time: 7:30 PM

Building:

Location:

Address:

Session: Open Session

Purpose: General Business

Version: Draft

Attendees: **Members - Present:**

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

Members - Not Present:

None

Others Present:

RMLD Staff: Ms. Coleen O'Brien, General Manager; Mr. Hamid Jaffari, Director of Engineering and Operations; Mr. Charles Underhill, Director of Special Projects, Mr. Greg Phipps, Director of Integrated Resources; Ms. Wendy Markiewicz, Director of Business and Finance; Ms. Janet Walsh, Director of Human Resources; Ms. Kathleen Rybak, Operational Assistant Engineering and Operations

Citizens' Advisory Board: Mr. George Hooper, Secretary, Wilmington

Others: Ms. Gail Paige, Reading; Mr. David Zeke, Reading

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

Topics of Discussion:

PER GOVERNOR BAKER'S MARCH 10, 2020, ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW, G.L. c. 30A, §20, THIS MEETING WAS HELD REMOTELY VIA ZOOM.

1. Call Meeting to Order

Chair Stempeck called the meeting to order and he welcomed the new RMLD Board Commissioner Marlana Bitá.

Opening Remarks

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 noted that Mr. Pacino will be the Board Secretary.

Chair Stempeck stated that he understands that there are requirements for remote meetings that need to be followed, such as naming the member or members who are participating.

2. Public Comment – Chair Stempeck

a. Citizens' Advisory Board/RMLD BOC Report from CAB Meeting

Mr. Hooper, CAB Secretary, welcomed Commissioner Bitá. Mr. Hooper had nothing to report at this time.

b. Liaisons to the Board

Chair Stempeck commented there has been no reappointment of the liaisons to the RMLD Board from the Select Board.

c. Public Comment

Chair Stempeck stated that Mr. David Zeke and Ms. Gail Paige would like to speak.

Mr. Zeke said that relative to the Palmer biomass plant on April 2, the Department of Environmental Protection revoked the permit for the Palmer biomass plant. Secretary Theoharides commented that if they were to reapply for the permit, they would find the bar raised considerably, partly in light of the recently passed Climate Bill, setting new requirements for environmental justice communities. According to *CommonWealth Magazine* a source in the Baker administration claimed that the plant was no longer compatible with the governor's current focus on climate change, symbolized by his signing of climate change legislation. Mr. Zeke stated that DOER has recently proposed changes to the RPS that would disallow any RPS credits for biomass plants within five miles of an environmental justice community. Mr. Zeke asked does RMLD plan to formally withdraw from the contract it is committed to? Will the power sourced from the Palmer plant be removed from the RMLD monthly forecast?

Mr. Pacino said that this was also discussed at the CAB meeting he attended, in which Ms. O'Brien and Mr. Phipps provided feedback.

Mr. Phipps responded to Mr. Zeke that in terms of Palmer being in RMLD's portfolio the plant is not slated to be formally commissioned until mid-next year 2022. RMLD has it in its forecast portfolio, but if the RMLD were to exit the contract, it would be removed.

Chair Stempeck explained that the Commission and the RMLD have been very aggressive and exploring all alternatives. RMLD does not want to breach an existing contract, because that has major implications for everybody, not just Reading. The RMLD is being very careful about that and staying within all the legal guidelines. There is potential that the plant will not be able to meet its contractual obligations from what the RMLD has seen and heard.

Ms. Paige stated that she also asked a question in the CAB meeting in which Mr. Phipps and Ms. O'Brien did a great job of answering. She had one concern in the customer survey; it was clear that a majority of customers are willing to pay for a rate increase to reduce greenhouse gas emissions. The green clean energy policy, states that customers want to reduce greenhouse gas emissions, but with little or no price increase. In the mission statement, it talks about keeping low costs and Ms. Paige gets that. But she is requesting that the clean energy policy be amended so that it is not misstating where the source of keeping the prices low is. It is not coming from the customer because the majority are willing to pay more. It is really coming from the RMLD mission statement. She would be more comfortable if the wording was changed to say that the RMLD will, however, follow our mission statement at this point, which is to keep prices low. Ms. Paige stated that she is uncomfortable with having a statement that does not accurately reflect what the customer said in the customer survey.

Mr. Coulter said that he understands what was said. RMLD's mission statement - rates, reliability and revenue are extremely important to everybody. There is a subset of customers willing to pay more, he is hesitant to say the majority are willing to pay more.

Chair Stempeck said that the survey showed there were different categories of how much more people were willing to pay. The Commission and the RMLD are going to try to implement something that reflects that and allows people to pay in different categories. The Commission and the RMLD have not formally talked about how to accomplish that yet. The survey said 67% would like RMLD to be aggressive with respect to setting goals, to reduce greenhouse gas emissions. The RMLD is on that path by trying to react faster and go further than what we are being mandated by the state. We have to balance those out.

Mr. Pacino commented that he is going to request the Board review how we allow the ratepayers to speak at these meetings. He is starting his 35th year on the Commission and has always served with the idea of transparency and listening to the ratepayers. He is a little bit uneasy with the policy that we have in place for the way we are allowing the rate payers to give us input. Prior to this meeting at the earlier Citizens' Advisory Board meeting, there were citizens in the middle of the meeting who asked questions and brought up their ideas. The only thing he requires is for the public to be respectful.

Chair Stempeck stated that he completely agrees with Mr. Pacino. As Chair he adopted the public comment policy put in place by the Reading Select Board. Mr. Pacino commented that the Commission should be setting its own rules to address this. He requested that the leadership for the next meeting review how the Commission allows public input. Chair Stempeck said that the Commission is always looking for best practices; we can always discuss this, and we will address this in future meetings.

3. Report of the Citizens' Advisory Board on April 22nd – Mr. Pacino

Mr. Pacino reported that at the CAB meeting, Mr. Phipps made an outstanding presentation on his report; Mr. Jaffari provided a report that included awards and Ms. Markiewicz had an outstanding presentation on the billing, receivable, and invoice processes.

4. Approval of Board Minutes

Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board of Commissioners approve the meeting minutes of the January 20, 2021, meeting on the recommendation of the General Manager.

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

Motion carried 4:0:1. Ms. Bitá was not present at the meeting.

14. Reorganization of the RMLD Board of Commissioners – Taken Out of Order

Chair Stempeck requested that Item 14 be moved out of order on the agenda for the election of Chair and Vice Chair. The Board concurred.

Mr. Talbot noted that there was a rotation process in the past. He added that Messrs. Coulter and Pacino are due and overdue. The only tweak, which would apply to him as well, is that when a Commissioner is heading into a re-election year, it would be a good practice to think about not having that Commissioner be seated as the Chair in the period before the re-election year. Other Reading Boards have adopted this practice. Chair Stempeck agreed. Mr. Talbot suggested that language should be to put in the Board policy to affect this tweak.

Chair Stempeck made a motion seconded by Mr. Talbot to nominate Mr. Coulter for Chair with the voted Chair to take the position immediately after the vote.

There were no further nominations.

Chair Stempeck made a motion, seconded by Mr. Talbot, to close the nominations

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

Motion carried 5:0:0.

The Commission then proceeded to the election of the Chair.

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

Motion carried 5:0:0.

At this point in the meeting newly elected Chair Coulter presided as Chair.

Chair Coulter made a motion seconded by Mr. Stempeck to nominate Mr. Pacino for Vice Chair.

There were no further nominations.

The Commission then proceeded to the election of the Vice Chair.

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

Motion carried 5:0:0.

Mr. Pacino added that he will continue as the Secretary if it is amenable by the Chair. Chair Coulter said that Mr. Pacino could continue in this capacity.

5. General Manager's Report – Ms. O'Brien, General Manager Community Update EV Workshop

Ms. O'Brien stated that there will be a virtual EV workshop on April 27 at 7:00 pm with 124 registrations as of April 20. Some of the community television stations will be broadcasting this live.

High School Art Contest – 2020 Annual Report

Ms. O'Brien thanked the Board for voting on the high school art. The artwork is spectacular along with their respective narratives. Since she has been at RMLD, the Annual Report costs have been scaled down using the high school student's artwork. The first-place recipient's artwork is on the cover of RMLD's Annual Report. The awards are as follows: \$100 first prize, \$75 second prize, \$50 third prize and fourth prize \$25 for art and school supplies. The presentation of the awards will take place the first week of May with a minimum of one RMLD Board member and one CAB member.

The Town of Reading Audit Committee and the Commissioner's Audit Subcommittee are tentatively scheduled to meet in May, which means that the Annual Report will come out in June.

Battery Walkthrough

There will be a possible battery walkthrough with some of our state delegates at our five-megawatt battery facility. We received a million-dollar ACEs grant and are seeking additional potential battery grants in the future for smart grids.

Virtual Electrification Presentation

The virtual electrification presentation is scheduled for June 7 at 2:30 pm. This event is in partnership with the Wilmington Public Library to coincide with their earth year theme.

EV Grants

The RMLD has applied for EV grants from the state. RMLD applied for level two and three chargers. The Towns of Wilmington and Reading are both submitted. As of today, there is no further status update.

Outdoor Bike Event

An outdoor bike event is being held at the RMLD (April 30 - bike drop-off, May 1 - bike selection) which Reading Cares manages. This bike event is now sponsored by the Reading Climate Action Committee with Reading Cares. In order to permit this a secure command incident approval and a COVID plan were obtained. There will be required face masks and social distancing. All COVID plans were authorized by the Board of Health.

Electrical Safety

On May 11, the Reading YMCA is sponsoring a Healthy Kids Day. RMLD will teach electrical safety and education.

The GM regularly looks at all rebates and programs RMLD performs. For example, when RMLD provided rebates for window air conditioning, the result was an increase in the seer ratings. Then the RMLD went from windows to whole house air conditioning. The RMLD is in the process of reassessing the best way to spend the customer's money to give a benefit

back to the RMLD and its customers. The RMLD may have some rebate changes and additions that will come as part of the Class Cost of Service Study that is being performed.

6. Review of Policies – Ms. O’Brien, General Manager

Ms. O’Brien stated that the policies did not have review dates when she came onboard, however, the RMLD has implemented a three-year review cycle date to ensure the language stays in compliance with laws and updates.

Policy 3: Safety Committee

Ms. O’Brien reported that RMLD has a tight safety review team consisting of two committees, the electrical and the general. There are no changes in the industry that would warrant any legal or best utility practices changes. The RMLD meets all the Policy 3 criterion therefore no recommended changes.

Mr. Pacino made a motion, seconded by Mr. Stempeck, that Policy 3: Safety Committee be scheduled for the next periodic review without change.

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

Motion carried 5:0:0.

Policy 6: Drug Free Workplace

Ms. O’Brien explained that Policy 6 is RMLD’s Drug and Alcohol Free Workplace policy, which she has been working diligently over the last six years to get in all union contracts to have a drug and alcohol free workplace. CDL testing, and the drug and alcohol has been put into collective bargaining agreements. There are no suggested updates to Policy 6.

Mr. Pacino made a motion, seconded by Mr. Stempeck, that Policy 6: Drug Free Workplace be scheduled for the next periodic review without change.

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

Motion carried 5:0:0.

Policy 13: Facility Use

Chair Coulter said that relative to Policy 13, the RMLD facility is a great facility with a great room for use, but it is not available for outside use. Being a resident, he has tried to secure space for sport organizations to use. It is very limited where these and other organizations can go to meet publicly in Reading. A definition of NERC and not allowing people in the building are completely different in his point of view. He put forth a request to allow that room access and limitations with waivers be permitted.

Ms. O’Brien reported that when she first started, the building was open to the public. There was a knitting club, an old-fashioned vintage car group and others that met in the meeting space. The building did sustain some vandalism and misuse. The RMLD is not set up like a public open building like the library. The RMLD does not have custodians. The RMLD has two maintenance staff who if used for outside group meetings would incur overtime costs. This is not solely a NERC compliance issue. The RMLD made the decision in 2016 to limit the facility use to all towns in our service territory and to any committee that is covered under their liability to protect the RMLD and its facilities.

Chair Coulter said that with today's technology and cameras the facility can be protected, and any issues could easily be corrected. Anybody who goes into an inappropriate area could be identified. Chair Coulter requested the policy for space use for a community organization be reviewed.

Mr. Talbot echoes that it is worth taking another look at the policy. He understands that Ms. O’Brien has concerns, but agrees, there should be a way to allow the building to be more open perhaps there is an energy education piece that the RMLD can be doing.

Chair Coulter suggested that once COVID ends that this policy can be revisited.

Mr. Pacino said that there were problems in the building as Ms. O'Brien mentioned. In addition, people parked illegally in the parking lot. We are in the wires business and that drove the decision with the Board at that time. He has no problem revisiting the policy, but his concern is how the facility is used, whether it would be a detriment.

Ms. O'Brien added the building is used by the Reading Police Department for the RAD self-defense program which qualifies under the policy. The RMLD also sponsors training for technical engineering in which other MLPs come in to use the building and, in most cases, RMLD employees are in attendance.

Ms. O'Brien stated that she would like to have the bike event with the red line changes and after COVID can revisit the policy again.

Mr. Pacino made a motion, seconded by Mr. Stempeck, that the Board of Commissioners approve Policy 13, Facility Use, as presented on the recommendation of the General Manager with the provision that the policy to be reviewed when the Board of Health allows the building to be reopened.

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

Motion carried 5:0:0.

Ms. O'Brien stated that the next review date will be "When the Building Opens to Public."

Policy 19: Board of Commissioners

Ms. O'Brien stated that there will be changes presented at the next meeting addressing the chair vote and committees.

7. Power Supply Update – Mr. Underhill, Director of Special Projects

Mr. Underhill reported that RMLD finished the quarter 2.4% below the ENE budget numbers; however, the results are 2.3% above last year. This represents an increase in load but not as projected in the power supply budget. This is weather driven for January, February, and March.

RMLD is off to a good start this year. In January and February actual power supply costs came in below the budgeted amounts. This result translates into a good cumulative differential. This is the sum of the energy capacity and transmission expenses.

Half of RMLD's power supply costs is for energy in January and February, the results came in better than budgeted showing a positive cumulative differential.

Capacity costs came in a little bit higher than anticipated with a \$70 to \$75 million budget, this reflects a \$50,000 to \$75,000 cumulative variance; this is not a concern.

Transmission came in higher than projected. In February, the RMLD received a credit from National Grid for sub transmission expense (formula rate) and every month their values fluctuate. It is not a consistent amount which the RMLD can expect.

In January, RMLD's loads were slightly under budget whereas in February they were slightly above the budget amounts. NextEra is the largest component of RMLD's power supply budget. The nuclear units performed well, and our market share was within the tolerances for risk mitigation that are built into the budget.

8. Power Portfolio Addition/Policy 30 - Mr. Phipps, Director of Integrated Resources

Mr. Phipps reported that he will be presenting another power supply contract. In addition, he will be providing an update on the Climate Bill and a Policy 30 update and discussion on the retail side and renewables.

RMLD's power supply portfolio is designed from a risk mitigation and stability perspective to have a significant portion in long-term contracts. In the context of the Climate Bill, once called Roadmap 2050, this design has been discussed extensively. Non-carbon is the new

metric based on the new bill and the RMLD is pursuing power supply to align with this new metric.

There are not many hydro facilities in New England. This hydro opportunity is located in eastern New York, near Saratoga Springs across from the Hudson. It is a rural recreation at the confluence of the Hudson and the Batten Kill River. This project is under the control of Gravity Renewables, whose focus is hydro facilities.

It is not a facility likely to have environmental issues given geography and longevity. It is not a facility that will require any sort of a fish ladder since no natural fish migration is part of the river system section. The facility was established back in 1925. Gravity acquired this facility in 2019, and completed, a multi-year upgrade which is typical when they acquire new facilities. It was licensed back in the early 90s under a FERC license. All publicly filed documents indicate a very clean facility from an environmental perspective.

From a reliability perspective, this would be a 25-year term for RMLD. The RMLD would start taking power from it this summer. It is a seasonal river. This hydro contract represents about 5.5% of RMLD's portfolio and has, Connecticut class one certificates. This is critically important in terms of RMLD's requirement to start reporting non-compliance on an annual basis. Its pricing is close to the average hydro costs in our portfolio.

Mr. Stempeck said that he wants to ensure that we have researched this facility extensively so there are no environmental impacts that could come back to haunt us. Have we done any survey of, for example, the local newspapers for the past two years to make sure no one has filed anything? He realizes there are filed public documents, but are there any kind of community concerns that we should be aware of?

Mr. Phipps replied that the RMLD was just starting a due diligence process. The environmental review in the context of everything the RMLD has been through in the past six months is a critical issue. RMLD will do its due diligence, but the FERC process is also extremely stringent hence a comprehensive review. For this facility which Gravity will be starting next year, another FERC relicensing process will be required.

Chair Coulter asked do you pay regardless of a drought or is it just if it flows. Mr. Phipps responded that the RMLD will, be paying on what gets delivered and made sure that it matches our requirements for on and off-peak needs, as well as seasonally.

Mr. Pacino added to address Mr. Stempeck's point, should we be adding language in the motion, "that after proper due diligence".

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

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

Motion carried 5:0:0.

Mr. Phipps stated that IRD has responsibility for the retail side of the business. The Climate Bill focuses on both electrification and non-carbon sources. Both factors will have a significant impact in terms of how the RMLD manages the business, both the retail side and the wholesale side.

RMLD is updating its forecast models in the context of electrification; in terms of the load filling that with purchase power. Regarding load growth, the rebate program has undergone many changes this past year. The air source heat pump is focused on the HVAC for residential and small applications. It is a component of both the electrification and the drive

toward non-carbon. In addition, the Climate Bill mandates electrification of transportation as well. All these factors impact RMLD's retail load with upward pressure.

In our forecast model, RMLD is looking at a 1% increase per year over the next 10 years, through 2030. After a decade of flat load growth, we anticipate the load growth to increase. The HVAC - air source heat pumps applications have already started to increase in the past few months, from ten to thirty monthly.

RMLD needs to address its incentive and rebate program to support state mandated electrification. The operating costs continue to increase on a regular basis, with an average of about 3% annually.

RMLD is examining the energy conservation and electrification fund where the rebates are paid. RMLD is at \$0.001/kilowatt hour, which is below the average of other MLPs, and local IOUs. RMLD tends to collect and spend more money than other MLP's. Our rebate program is comprehensive, the largest of all the MLPs. To support the ongoing growth, the RMLD is looking for a possible recommendation rate increase from \$0.001 to \$0.003 /kwh.

RMLD's transition to start retiring an increasing portion of our certificates that includes RECs will have an impact on how we handle the energy costs.

Part of this rate study will include looking at our solar net metering policies and procedures - how that impacts the rates, as well as the engineering side. In addition, the rate study will look at rates during off-peak evening hours, how that can help drive EV growth.

RMLD's current rebate program is focused on EV chargers, but we are exploring opportunities for rates that will be a stronger motivator in terms of a net cost to operate on an EV vehicle.

Components in RMLD's cost of energy, include energy, capacity, and transmission. RMLD's historical practice of selling certificates has reduced energy costs, now the RMLD will start retiring them. As a result, the cost offset to energy costs will taper down. RMLD needs to meet state mandated compliance targets set in the updated Policy 30. There will be quarterly updates on these transactions in the interest of transparency.

There is a six-month lag approximately 15,400 certificates purchased by RMLD as part of our purchase agreements from the fourth quarter of 2020. RMLD is in the process of selling them by June 15, otherwise they will be forfeited. These certificates are primarily Maine, Vermont, Connecticut and Massachusetts class two and class one certificates. The sale of the certificates is expected to net \$460,000 to RMLD.

Mr. Phipps then addressed, an update on renewable choice Commissioner Bitz requested. Renewable choice is addressed in the latest revision of Policy 30. Originally, RMLD's goal was to offer a 100% non-carbon option to the rate payers. Right now, given the way that the RMLD is retiring RECs on an annualized basis, all the rate payers will be participating up to that annualized line.

The way the policy is structured, everybody participates. What we intended to do for the renewable choice is to allow rate payers to participate incrementally above that annualized line, and the goal would be a hundred percent non-carbon option. At some point we might offer 75%.

RMLD is also structuring a 100% non-carbon option for rate payers. This would be incremental above the existing annualized line. An appropriate name will be non-carbon choice. The RMLD has had discussions since last summer with two of our larger industrial customers under a label called green tariff. The intention was to provide them a mechanism to report to their supply chain and corporate management the amount of their consumed power that is green. There is a wind project that the RMLD is finalizing.

The two likely “choice” mechanisms are retiring more and buying more. The retire option, for example, 40% of 2021 RMLD’s portfolio has certificates, and we will retire 23% based on our Policy 30 then retire more certificates based on the monies collected from the choice program.

The buy more option would have RMLD buy additional certificates above what we are securing as associated certificates. The process, for the commercials, this relates to the green tariff to use those funds to buy more certificates. A mixture of both of those will support commercial, industrial, or residential customers. It will be another two months before we finalize these ideas.

Mr. Pacino clarified that he must sign up as he understands this, similar to the solar choice one and two. What would be the additional cost be to the rate payers? Mr. Phipps explained that modeling and analysis is what they are working on. That cost depends heavily in terms of which certificates associated with the 100% non-carbon.

Chair Coulter asked for more clarification on the rebate programs in the presentations. Mr. Phipps explained that this can presented in either the monthly or the quarterly updates in terms of what those programs are because they will become a larger piece of the budget.

9. Renewable Choice Program Concept – Mr. Phipps, Director of Integrated Resources
Opt-Out/Opt-In Discussion Commissioner Bitá

Ms. Bitá commented that in paying for renewable energy, the Commission and the RMLD should maximize as much revenue as we can. In the 2020 customer survey, 67% of residential and 61.8% commercial customers responded that they would like RMLD to be aggressive with respect to reducing greenhouse gas emissions. What is the appropriate rate policy when 58.3% are willing to pay more? Can RMLD capture this potential revenue stream and how can RMLD accelerate the transition to cleaner energy. A study in 2018 by the National Renewable Energy Lab Energy found that when utilities use opt-in rates only five to 20% of the customers participate, but when utilities use opt-out rates about 85% or more customers tend to stay in. Customers can opt-out and say no to the premium. The Director of the Wellesley Municipal Light Plant stated that they tried an opt-in program, but only 10% of their rate payers were participating. They have an opt-out program that starts on July 1, 2021. They expect 80% to 85% of their residents to remain enrolled. The Director believes there will be a 4% surcharge to help them generate their goal of \$500,000 per year for battery storage and solar arrays on municipal buildings. Should the RMLD Board consider an opt-out program? We can still protect those who are unwilling or more importantly, unable to pay more.

Mr. Talbot stated that in Westford who is under National Grid as an IOU, offers a 5% rate raise. If do not want it, you do not have to take it and if you want, you can volunteer for 10%. Customers can say no. The RMLD can present it as an opt-out which will get more participation and funds to capture all this revenue that people are willing to give. If the RMLD does just the opt-in, which is what the Policy 30 says, the data indicates that we will not get a large participation percent.

Mr. Stempeck suggested waiting to see what Wellesley does, and if they achieve their goals. On the opt-out process his concern is for people who do not have computers and do not realize what opt-out or opt-in means.

Ms. Bitá suggested in the absence of a computer, a customer can call in to opt-out. The RMLD can provide other means of allowing customers to opt-out.

Mr. Talbot commented for the time of use meters, RMLD does an opt-in and only a few hundred have enrolled after 10 years.

Chair Coulter commented that if you do an opt-in or opt-out program, it should be communicated with a prolonged, precise, and clear communication plan to RMLD’s customers.

Ms. O'Brien said that RMLD can perform analysis on this for opt-in or opt-out. She will speak to the WMLP Director as well as other MLPs. In addition, she will call the DPU to ensure compliance. This will be brought up at a future Board meeting.

10. Engineering & Operations Report – Mr. Jaffari, Director of Engineering & Operations

Mr. Jaffari reported on the Engineering and Operations report for the months of March and April. Mr. Jaffari stated that for the last five years the SAIDI, CAIDI, and SAIFI has been outperforming the national and regional averages. The outages for the five-year cycle, were primarily due to weather. Storms were bringing trees/poles down and damaging the equipment.

Mr. Jaffari stated that in 2020 RMLD received two prestigious awards from American Public Power Association (APPA). One is the Reliability Award, RMLD's reliability is one of the best in New England. The other award received was the Reliable Public Power Provider (RP₃). This process involved APPA evaluating RMLD's policies, operational procedures, business model planning and organizational management against best business practices nationwide.

It has been our goal at RMLD to make sure that the RMLD is among the top performing utilities. This is the fourth year in a row that we have received the Certificate of Excellence in Reliability.

This is the second RP₃ award in the history of the RMLD. The first award was received in 2006 and the second 2020. The RP₃ award that RMLD received is for a three-year duration (May 2021 through May 2024). RMLD received the platinum APPA designation on the four key disciplines that was evaluated, reliability, safety, workforce development, and the system improvements.

Mr. Jaffari stated that out of the 2,000 Public Power Utilities more than 270 of them hold the RP₃ designation. RMLD was evaluated on employee demographics, reliability, physical security, cyber security NERC requirements, safety, work force development and system improvements, which were done in 2016 with a Twenty Year Reliability Plan. There are three levels, diamond, platinum, and gold. RMLD received the platinum award.

Ms. Bitz stated that the RMLD is reliable. In 11 years, her power went out once for 30 minutes. She asked why the 22 or so municipal light plants in the state have not applied. Mr. Jaffari responded that it is voluntarily. The other utilities might not have the policies and procedures, and long-term plans such as RMLD's Twenty Year Reliability Plan.

Mr. Talbot asked what is different from 2006 to 2020 when RMLD received the RP₃ award. Mr. Jaffari reflected that when Ms. O'Brien and he came to RMLD in 2014, there was no long-term plan, maintenance, lack of reliability was overdue. They came up with a maintenance program and reliability plan, however, the requirements back then were not as stringent as they are today with NERC, cyber, and physical security.

11. Business & Finance Update through February 28, 2021- Ms. Markiewicz

Director of Business & Finance

Ms. Markiewicz reported that last week the financial audit was completed by Melanson who did an excellent job. They are preparing the draft audited financials which will be ready to be presented for a meeting with the Audit Committees in May, then subsequently presented to the CAB and the Board of Commissioners.

This week sales tax prepayment requirement was changed by the state of Massachusetts. Typically, 20 days after the end of the month you must get your sales tax payment in. Now you must pay on the 25th day in the current month for what you are expecting to be liable for in sales tax. When you are looking at the accounts payable, you will see the sales tax payment for this week, which was for March and next week for April. In 2021, we will have 13 payments.

The Department of Public Utilities return is the next item to be completed. It will need the Board of Commissioners signatures, as has been past precedent.

The Town of Reading payment is set for June 30, \$1.2 million and estimated (right now), 2% net plant payments for June 30 at \$827,000 for all four towns.

Ms. Markiewicz reported on RMLD's cash, which is \$57.7 million, \$24.7 million is in the Operating Fund. There are subsets where the cash is allocated to construction, depreciation, rate stabilization, etc. The RMLD strives for three times operating expenses in the Operating Fund last year with almost \$2 million under budget. Cash is a little higher because of the timing. Last year we were a little bit over on the kilowatt sales as well. Currently, we are handling a timing issue with cash.

Ms. Markiewicz then addressed the Accounts Payable process. The RMLD does not have any control whatsoever of cash. The Town of Reading writes all our checks. Everything goes through the Town of Reading for final review and scrutiny. The RMLD receives invoices via email. However, some come in through the mail and we are trying to prevent that.

RMLD's accounting team manages this process. The accounting team receives the invoices and sends them to managers of each the division for approval of goods and services then they come back to us. The accounting team makes sure the proper signatures are secured, the invoice matches to a purchase order and the general ledger account is properly identified.

Following this, the accounting team sends it off to the Purchasing Manager where it undergoes another process of signatures and approvals through the requisition and purchase order process. The Purchasing Manager reviews all the purchases then sends them back to the accounting team. The accounting team prepares the batches and gets it ready to be paid. The applicable contract is scrutinized against the invoice. Accounting prepares everything that is ready to be processed for an actual check, puts the batches in and sends the batches off to the General Manager for final approval. The General Manager makes sure she is satisfied with what is to be paid, sends it back to the accounting team. The accounting team combines all the invoices packages together and prepares a check file for the Town of Reading who prepares the warrant.

Then the General Manager signs the warrant, and the processed invoices along with the warrant, go to a member of the Board of Commissioners for signature. At that point, the Commissioner can ask questions and accounting will answer. The member can only pull invoices if he/she thinks it is fraudulent or illegal.

After the approval of the warrant, then the Town of Reading cuts the check. Before they cut the checks RMLD receives phone calls from the Town with any questions. This is again to scrutinize and check invoices, ensuring a check and balance process. The Town of Reading cuts a check 11 days after the Friday end date, which is the warrant date. The whole process is quite complex, and it is very important for everybody to be aware of how it works.

The financial report represents February, and the sales are flat. We are a slightly under budget, and there is nothing significant to report.

Chair Coulter asked if there were any process improvements that you would suggest to streamlining the process or to improve it? Ms. Markiewicz responded that in 2020 the process went from paper to electronic. That was huge and took everybody's cooperation to make that happen. The RMLD is continuously looking to streamline the process to make it more simplistic, and the RMLD works with our vendors to avoid the stop and go. The RMLD is continuously improving and ensuring that the vendors understand what the contract says before they send us the invoices.

Mr. Pacino added that the process works much better now. It used to be three Commissioner signatures were required to approve the warrant.

12. RMLD Procurement Requests Requiring Board Approval –Mr. Jaffari

Director of Engineering & Operations

IFB 2021-13 Voltage and Current Transformers

Mr. Jaffari reported that last year, all the primary metering structures were tested (approximately 68 – 70) system wide for integrity and accuracy of the metering. The findings indicated that the equipment was outdated requiring upgrades.

This bid included the PT (potential transformers) and CT (current transformers), which step down the voltage from under from 13,800 to 120 volts and the current from thousands of amps to five amps so it could be measured in the electronics and control. The bid was sent to 14 distributors and vendors, four respondents. The lowest responsible, responsive bidders were Graybar \$124,970 and WESCO for \$28,224, the total award is \$153,194.

Mr. Pacino asked Ms. O'Brien to explain to Ms. Bitá the reason this comes before the Commission. Ms. O'Brien stated that the RMLD presents all the bids to the Board for their approval under Chapter 30B for values that exceed \$50,000 in accordance with Policy 9. The RMLD will also discuss whether there is any deviation from either expense budget or capital improvement plan that the Commission has approved when the bids are exceeding those amounts. Ms. O'Brien explained that Mr. Jaffari presents most of the bids.

Mr. Pacino made a motion, seconded by Mr. Stempeck, that IFB 2021-13 for Voltage and Current Transformers be awarded to Graybar Electric Company, Inc for \$124,970 and WESCO Distribution, Inc., for \$28,224 pursuant M.G.L. c. 164 § 56D, on the recommendation of the General Manager.

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

Motion carried 5:0:0.

13. 2021 General Manager's Goals Discussion – Chair Coulter

Ms. O'Brien reported that in 2020, former RMLD Board Commissioners O'Rourke and Hennessy, who are both HR executives, gained Board approval to change her evaluation from a point system conducted annually to a quarterly check. This is envisioned to be a healthier environment with encouragement in any type of reprioritization discussion process. The RMLD has adopted that same concept internally with our senior managers going forward with the list of goals she reported on for 2020.

Ms. O'Brien stated that it is important to ensure that the vulnerability was in the entire IT infrastructure, which includes not only our IT business systems but our entire electric system. This ties into our smart grid system which is implemented under Mr. Jaffari's Twenty Year roadmap that reduces truck rolls, greenhouse gas emissions, and improves the efficiency of our response time. There is a lot of IT that goes across an entire utility system and it is a high priority. The Class Cost of Service Study and rate study is another component that needs to be completed which is a large undertaking and is performed every three years. This has been very complicated this year with all Policy 30 and new Climate Bill change this has an impact, when you factor that into the Class Cost of Service on a regular basis and add some of the new ideas that the RMLD is going to look at as well, that must be blended in that for the opt out type of programs.

With our process improvements, everything is getting better as the RMLD aligns with our reorganizational study and all the changes that the RMLD made five or six years ago. There is a lot of change with workforce management, new laws, vacancies, and change process of succession planning talent acquisition/management going forward. This is quite different from the electric utility industry where employees would remain for 30 years. There is more that goes into the entire process of making sure that we have quality and proficiency of skill sets working here because these are unique positions and safety is a priority. They are not just electrical engineers; it takes another seven years of career development to learn distribution and transmission engineering.

For the Board goals, Ms. O'Brien is looking at changing the mission statement, because that is RMLD's operational compass that the RMLD has right now.

Focusing on power supply is very important, but the RMLD is one of the largest electric municipal systems in the state. The RMLD needs to take a step back when the public is asking for analysis as well as the Board. She wants to ensure the quality is not compromised. The staff needs the proper time, and she is seeking the Board's understanding to help maintain a healthy environment on collaborative solutions.

Mr. Stempeck said that Ms. O'Brien has a great list of items to focus on and be reviewed by the Board on a quarterly basis. There is always room for change and additions. Mr. Stempeck proposed adding one more goal to the Board's responsibility - as a Board, the Commission makes sure that it is meeting the requirements of Policy 19. That was due to the fact we have been so focused on the payment to the Town of Reading, it consumed much of our time and effort. He suggested to the Board to go back to Policy 19 and review it with a fine-tooth comb, this way to ensure that the Commission follows what is required in it there and make any changes to reflect a more current era.

Mr. Talbot said that relative to Ms. O'Brien suggestions the Commission is looking at these goals for the first time. Mr. Talbot notes that the Commission may want more time to think about things that are more quantitative; how the RMLD can reduce expenses or how can the RMLD measure the reduction of the annual peak. How does the RMLD increase adoption of Time of Use and similar policies. Maybe there is a need for a committee or a separate meeting to review this.

Ms. O'Brien stated there is no motion to vote.

15. Scheduling – Chair Coulter

a. Accounts Payable, Payroll and CAB Meeting Coverage

Chair Coulter will cover May - Account Payable Warrant.

Mr. Stempeck will cover June - Payroll.

Ms. Bitá will cover June - Account Payable Warrant.

Mr. Pacino offered to assist Ms. Bitá on the Account Payable Warrant where she is new to the process.

b. Next RMLD Board Meeting: Thursday, May 27, 2021

The goals meeting will be June 3.

Ms. Markiewicz will work to coordinate the Audit Subcommittee meeting with the Town of Reading Audit Committee for the audit. Messrs. Pacino and Stempeck will be the members of the RMLD Board Audit Subcommittee.

c. CAB Meeting (May) Coverage: Mr. Pacino

Mr. Pacino will cover the May CAB meeting.

Mr. Pacino added that he came across an article in the *Boston Business Journal* on May 20 of a presentation on electrification. One of the speakers is the Technical Director of Automotive Business Units at Analog Devices, noon to 1:00 pm. He will share the link with Ms. O'Brien, then she will distribute the link.

16. Executive Session – Chair Coulter

At 10:00 PM Mr. Pacino made a motion, seconded by Mr. Talbot, that the Board of Commissioners, go into Executive Session pursuant to Massachusetts G.L. c.164 section 47 D exemption from public records and open meeting requirements in certain instances to discuss competitively sensitive issues regarding options for power supply and to consider the purchase exchange, lease or value of real estate and to return to Regular Session for the sole purpose of adjournment.

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

Motion carried 5:0:0.

17. Adjournment – Chair Coulter

At 10:38 PM Mr. Pacino made a motion, seconded by Mr. Talbot, that the Board of Commissioners adjourn regular session.

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

Motion carried 5:0:0.

DRAFT

ATTACHMENT 2
ANNUAL REPORT CONFIRMATION
TO BE PRESENTED DURING THE MEETING

ATTACHMENT 3
CLASS COST OF SERVICE STUDY SUMMARY AND
RATES PRESENTATION



Initial Rates Discussion and Recommendations

BOC / CAB Joint Meeting

12 August 2021

Outline

CCOS Summary

Context including forecasts

Solar Incentive

Efficiency Electrification Charge

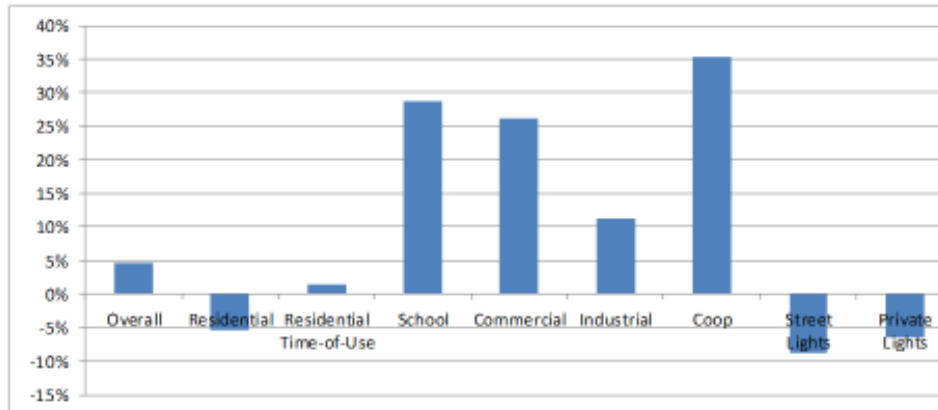
New A3 Rate

Renewable Choice

CCOS Study Results Summary

Results

DESCRIPTION	CY2021 Test Year Total	Residential	Residential Time-of-Use	School	Commercial	Industrial	Coop	Lighting	
		A	A-2	SCH	C	I	COOP	Municipal Street	Private Area Lights
TOTAL ANNUAL REVENUES	93,841,679	40,808,376	786,315	1,684,821	26,934,968	22,743,842	507,040	223,042	153,175
TOTAL ANNUAL EXPENSES	90,128,817	43,216,252	771,611	1,391,904	22,485,240	21,187,414	401,866	486,448	178,082
RETURN (NET INCOME)	3,712,862	-2,407,876	14,703	293,018	4,439,728	1,556,428	105,174	-263,406	-24,908
TOTAL NET PLANT, JUN 30	80,350,456	43,837,000	1,074,351	1,017,430	17,035,770	13,745,675	297,379	2,959,844	383,007
RATE OF RETURN	4.6	-5.5	1.4	28.8	26.1	11.3	35.4	-8.9	-6.5



Results

- ◆ Overall rate of return 4.6%
- ◆ Class rates of return vary from minus 9% to plus 35%
- ◆ Spread in rates of return has grown since 2017
- ◆ Relative rates of return are still within the range seen from other Massachusetts municipal utilities.

summary

- 1) Rates of return w/in normal range
- 2) Context prompting change of cost allocations (ex. peak shift, electrification, load growth, ...)
- 3) Several actions merited now
- 4) Results are incorporated into recommendations

Rates - overview

goals

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

Allocate costs fairly, based on rate class characteristics

Provide funds for **efficiency and electrification incentives**

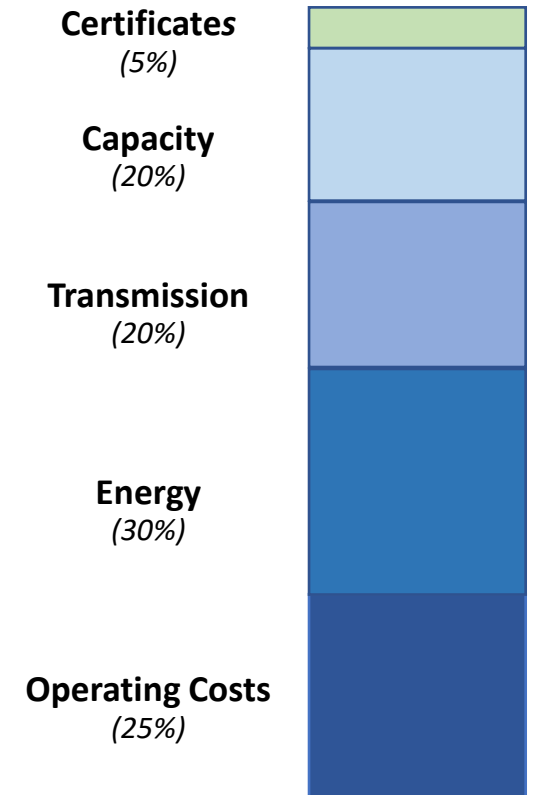
Offer customers better understanding and **control of energy use**

Comply with DPU, statutory and RMLD policies

process (3-year horizon)

- 1) Clarify objectives, outcomes, behaviors
- 2) Forecast loads, retail sales by class
- 3) Forecast base costs and power supply pass through costs
- 4) Add revenue buffer (net income target 5-6% of net plant)
- 5) Review cost drivers by rate classes
- 6) Allocate costs across rates classes
- 7) Refine allocations

2025 expenses illustration



Understandable, Fair, Motivating

Desired outcomes

electrification

Encourage **EV adoption**

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

Support stewardship / climate change policies

generation and load

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

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

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

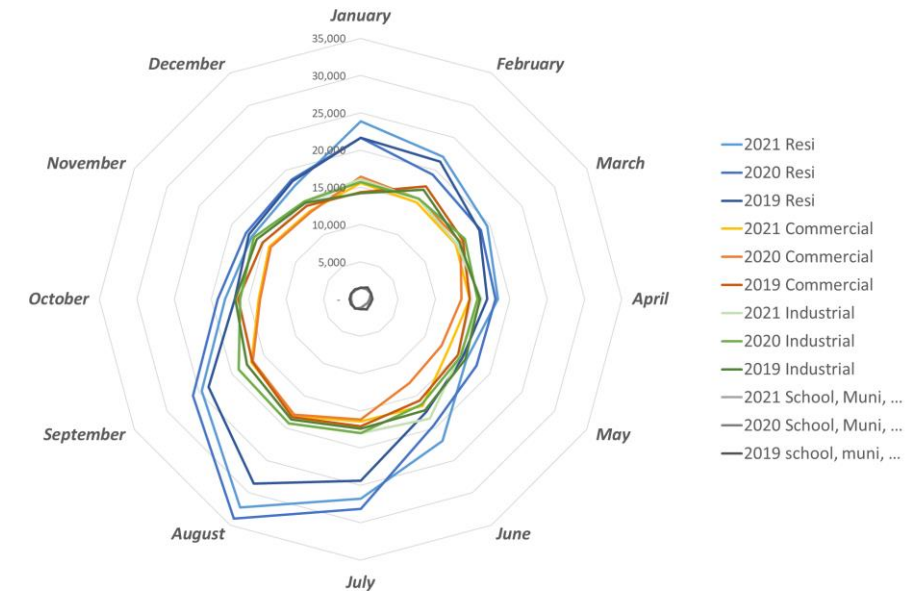
customer control

Simplify billing; make **easier to understand**

Equip customers to affect their energy costs

Load forecast

	2021	2022	2023	2024	2025	cagr (2021 - 2025)
Sales (kWh)						
Residential	252,445,953	253,634,940	256,678,559	259,758,702	262,875,806	0.81%
Residential TOU	6,064,069	6,091,326	6,164,422	6,238,395	6,313,256	0.81%
Commercial (& Muni)	182,947,469	184,139,567	185,281,232	186,429,976	187,585,842	0.50%
Industrial	200,439,783	202,600,645	203,654,169	204,713,170	205,777,679	0.53%
School	12,789,519	12,864,431	12,864,431	12,864,431	12,864,431	0.12%
Co-Op Resale	3,320,874	3,336,969	3,336,969	3,336,969	3,336,969	0.10%
Municipal Street Lights	976,685	976,685	976,685	976,685	976,685	0.00%
Private Area Lights	208,270	208,270	208,270	208,270	208,270	0.00%
Total Energy kWh	659,192,621	663,852,833	669,164,737	674,526,598	679,938,938	0.62%
% change	1.23%	0.71%	0.80%	0.80%	0.80%	



Residential is larger, produces higher revenues, is growing faster, and covers more geography than C&I → near-term, requires higher network investment

Summary rate classes – 2022 example

illustration based on 2022 load forecasts with current 2021 rates (no rate change shown)

	Load (kWh)	load mix (% total)	Revenue (\$)	rev mix (% total)	avg rate (\$/kWh)
Residential	253,634,940	38%	\$ 37,985,729	44%	\$ 0.150
Residential TOU	6,091,326	1%	\$ 781,622	1%	\$ 0.128
Commercial	173,102,970	26%	\$ 22,632,204	26%	\$ 0.131
Industrial TOU	202,600,645	31%	\$ 21,417,385	25%	\$ 0.106
Municipal	11,036,597	2%	\$ 1,410,007	2%	\$ 0.128
School	12,864,431	2%	\$ 1,583,382	2%	\$ 0.123
Co-Op Resale	3,336,969	1%	\$ 440,808	1%	\$ 0.132
Street Lights	976,685	0%	\$ 135,378	0%	\$ 0.139
Private Area Lights	208,270	0%	\$ 44,257	0%	\$ 0.213
Total	663,852,833	100%	\$ 86,430,773	100%	\$ 0.130

Three primary rate classes

- residential (44% of rev)
- commercial (26% of rev)
- industrial (25% of rev)

Residential

- largest – meters, geography, load, revenue
- most dynamic (seasonal, hourly)

Commercial

- broad range of load, infrastructure
- geography concentrated

Industrial

- highest load (per meter), higher voltage and current
- larger site equipment

Note private area lights are still transitioning from higher cost lamps to lower cost lamps (HPS to LED)

Solar incentive for residential, smaller C&I

Goal to increase non-carbon energy generation w/in RMLD service territory (supports compliance, reduces transmission and capacity costs)

Solar at residential and small C&I is one mechanism to facilitate increase

Annual installations averaging 30 per year, at ~8.5 kW per installation

Recent, DOER matching grant (\$600 / kW) ended in June 2021

Replacing DOER match with RMLD EEC supports installation momentum (replacement annual ~\$150,000 incremental RMLD cost)

\$1,200 / kW incentive affords RMLD ratepayers 6-year payback on a typical 25-year system; with 20 kW and 50% project costs limits



Action Plan:

- a) Continue existing program, no change from customer viewpoint; reevaluate qualification criteria
- b) Increase RMLD incentive from \$600 / kW to \$1,200 / kW, replacing DOER match
- c) Make effective immediately, include current applications; reassess level of incentive in early 2023
- d) Early 2022, reevaluate adding storage specific incentive

Efficiency Electrification Charge (EEC formerly ECC)

	2020a	2021f	2022f	2023e	2024e
rate (\$/kWh sales)	\$ 0.001	\$ 0.001	\$ 0.003	\$ 0.003	\$ 0.003
EEC collected	\$ 642,683	\$ 659,193	\$ 1,991,559	\$ 2,007,495	\$ 2,023,581
residential incentives	\$ 431,433	\$ 1,310,296	\$ 1,738,991	\$ 1,935,091	\$ 2,127,441
commercial incentives	\$ 555,152	\$ 549,705	\$ 639,810	\$ 764,810	\$ 813,810
admin expenses	\$ -	\$ 94,750	\$ 101,447	\$ 121,447	\$ 138,147
total incentive expenses	\$ 986,585	\$ 1,954,751	\$ 2,480,248	\$ 2,821,348	\$ 3,079,398
difference	\$ (343,902)	\$ (1,295,558)	\$ (488,689)	\$ (813,853)	\$ (1,055,817)
transfer		\$ 2,500,000		\$ 1,500,000	
cummulative difference	\$ (343,902)	\$ 860,540	\$ 371,851	\$ 1,057,998	\$ 2,181

Proposed rate increase to \$0.003 / kWh equates to ~\$1.64 on average monthly residential bill or 1.4% increase (last ECC increase was 2013)

Comparison – the few MLP’s that unbundle average \$0.002 / kWh while National Grid and Eversource MA rates are \$0.017 / kWh (excluding EV program) or 6X proposed RMLD rate

ASHP rebates and solar installation rebates comprise the majority of residential incentives; note – incentives shown include increase of residential solar incentive from \$600 / kw to \$1,200 / kw

Custom incentives (efficient equipment upgrades), lighting and lighting controls, and solar comprise the majority of commercial incentives

Recommendation:

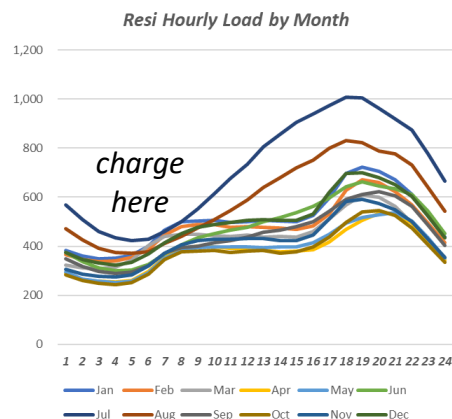
- a) Transfer **\$2.5 million** from the Unrestricted Operating Fund to Energy Conservation Reserve
- b) Change name from Energy Conservation Charge to **Efficiency Electrification Charge (EEC)**
- c) Increase rate from \$0.001 / kWh to **\$0.003 /kWh for all rate classes**, effective January 1, 2022

New residential A3 Time-of-Use rate - EV focused



EV's add ~380 kWh monthly load to typical residential customer (820 kWh base)

Typical charge – add ~30% of capacity, ~3 hours



10 Source: 500 RS interval 2019;-RMLD analysis

Encourage higher EV adoption w/in RMLD territory

- Offer **more substantial “fuel” savings** incentive
- Drive more customer education and awareness (ex webinars, shows, ...)

Fill overnight network capacity – underutilized, fixed costs

Discourage charging during **afternoon peak** hours

Offer three 8-hour periods

- \$0.08 / kWh between 10:00 pm to 6:00 am - **highly discounted over night**
- \$0.12 / kWh 6:00 am to 2:00 pm - moderate discount before afternoon peak
- \$0.24 / kWh 2:00 pm to 10:00 pm - expensive during afternoon peak hours

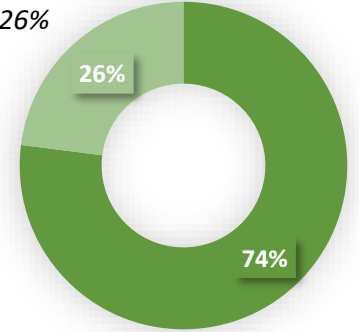
Recommendation:

- a) Add new residential A3 Time-of-Use rate
- b) Establish three time/rate tiers (each 8 hours)
- c) Make effective January 2022, or early as possible
- d) Increase communication to rate payers

A3 motion

Renewable Choice - 2022

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



Offer 50%, 75%, and 100% options for rate payers
 Additional to 26% that all RMLD ratepayers will pay in 2022

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

Fixed rate \$ 0.040 / kWh, adjusted annually

Available to all rate classes

Opt-in, minimum 1 year commitment

Recommendation:

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

2022 scenario

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

Thank You

Efficiency and Electrification Charge (EEC)

The Efficiency and Electrification Charge (EEC) per kWh, applicable to retail customers billed, will be calculated based on the projected annual efficiency and electrification programs expenses, divided by the projected annual retail sale of kilowatt-hours.

Adjustments will be made periodically to account for over and under recovery of efficiency and electrification program costs associated with an evolving mix of programs and levels of customer participation in same.

Rate Filed: October 4, 2021
Effective: On Billings on or After January 1, 2022
Filed By: Coleen O'Brien, General Manager

Residential Time-Of-Use Schedule A3 Rate

Designation:

Residential Time-of-Use A3 Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Individual residential customers for all domestic uses where service is taken through one meter. Incidental commercial use, not exceeding 20% of the total energy used on the same premises is permitted.

Character of service:

A.C. 60 cycles: single phase.

Customer Charge:

\$4.51 per month

Distribution Energy Charge:

\$.05905 per Kilowatt-hour for all Kilowatt-hours usage

Fuel Adjustment:

The bill for service hereunder may be increased or decreased as provided by the Time-Of-Use Fuel Adjustment Clause. The Time-Of-Use Fuel Adjustment Clause will be calculated for the periods as follows:

Peak: Monday through Friday, excepting holidays, 2:01 PM to 10:00 PM

Shoulder: Monday through Friday, 6:01 AM to 2:00 PM, weekends, and holidays.

Off Peak and EV Charging: 10:01 PM to 6:00 AM

Purchase Power Capacity and Transmission Charge:

The bill for service hereunder may be increased or decreased as provided by the Purchase Power Capacity and Transmission Charge. The Purchase Power Capacity and Transmission Charge will be collected on kWh delivered during the Peak period, Monday through Friday, excepting holidays, 2:01 PM to 10:00 PM.

Energy Efficiency and Electrification Charge:

The bill for service hereunder may be increased or decreased as provided by the Efficiency and Electrification Charge.

Rate Filed: October 4, 2021

Effective: On Billings on or After January 1, 2022

Filed By: Coleen M. O'Brien, General Manager

Residential Time-Of-Use Schedule A3 Rate (cont'd)

Budget Billing:

The customers under this rate will have available to them a budget billing program under which the customer is required to pay a leveled amount to the Department each billing period during the calendar year. The specifics of this program are outlined in the Department's General Terms and Conditions.

Low Income Discount:

The Customer Charge under this rate will be waived upon verification of a low-income customer's receipt of any means-tested public benefit, or verification of eligibility for the low-income home energy assistance program, or its successor program, for which eligibility does not exceed 200 percent of the federal poverty level based on a household's gross income. In a program year in which maximum eligibility for LIHEAP exceeds 200 percent of the federal poverty level, a household that is income eligible under LIHEAP shall be eligible for the low-income electric discount. It is the responsibility of the customer to annually certify, by forms provided by the utility, the continued compliance with the foregoing qualifications.

Farm Discount:

Customers who meet the eligibility requirements set forth by the Massachusetts Department of Food and Agriculture for being engaged in the business of agriculture or farming, and upon certification to the RMLD by the Massachusetts Department of Food and Agriculture, will be eligible for an additional 10% discount, prior to the RMLD prompt payment discount, on rates and charges applicable on their monthly billing statement.

Meter Reading and Billing:

Bills under this schedule will be rendered monthly. A prompt payment discount of 15% will be allowed on the Customer Charge and Distribution Energy Charge, only if the entire bill is paid-in-full by the discount due date.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Rate Filed: October 4, 2021

Effective: On Billings on or After January 1, 2022

Filed By: Coleen M. O'Brien, General Manager

Renewable Choice Rate

Designation:

Renewable Choice Rate

Available in:

Reading, Lynnfield Center, North Reading, and Wilmington

Applicable to:

Individual residential and non-residential customers for all uses where service is taken through one meter.

Character of service:

A.C. 60 cycles: single phase and three-phase.

Renewable Choice Rate:

Customers may choose to contribute an additional amount on their electric bill towards the acquisition and retirement of NEPOOL GIS complaint Certificates. Customers can designate an amount to retire equal to 50%, 75%, or 100% of their monthly kWh consumption. Credit will be given for the non-carbon compliance requirements, as outlined in RMLD Policy 30.

Funds will be deposited in a designated RMLD account and applied to retire Certificates, above the Annualized Line target in Policy 30 Rev 1, starting with the highest value certificates first. This retirement will be done on a quarterly basis consistent with RMLD certificate management procedures.

Meter Reading and Billing:

Bills under this schedule will be rendered monthly.

General Terms and Conditions:

Service hereunder is subject to the General Terms and Conditions which are incorporated herein and are a part of this rate schedule.

Rate Filed: October 4, 2021

Effective: On Billings on or After January 1, 2022

Filed By: Coleen M. O'Brien, General Manager

MUNICIPAL LIGHT BOARD

JEFFREY P. WECHSLER, CHAIR
SCOTT BENDER
PAUL L. CRISWELL
ELLEN L. KORPI
EDWARD J. STEWART III

TOWN OF WELLESLEY
WELLESLEY, MASSACHUSETTS 02481



DONALD H. NEWELL, DIRECTOR
4 MUNICIPAL WAY
WELLESLEY, MA 02481
781-235-7600
FAX 781-237-1936

MUNICIPAL LIGHT PLANT

FOR IMMEDIATE RELEASE

Wellesley Announces WECARE Program

Initiative will Accelerate Financial Support for Emission Reduction Projects

April 28, 2021 (Wellesley, MA) – The Town of Wellesley continues to be a leader in reducing the carbon footprint of our community. Initiatives such as the Wellesley Municipal Light Plant (WMLP) voluntary renewable energy program make it easy and affordable to reduce dependence on fossil fuels, increase energy stability, and preserve the planet. The WMLP is introducing the new Wellesley Electric Customers Accelerated Reduction of Emissions (“WECARE”) program to help in these efforts.

In 2020, Wellesley Town Meeting members adopted a resolution addressing the serious impact of climate change and pledged to support efforts by the WMLP to expand customer participation in the renewable energy program by changing the current opt-in enrollment to an opt-out program. Fees collected from the WECARE program will fund local renewable energy projects chosen by the WMLP for their impact on greenhouse gas emissions (GHG) reduction in our community.

The WECARE program will add 4% to monthly electric bills for all residential and commercial accounts. For the average customer using 750 kWh, this will add \$4.60 to the monthly cost. Even with this increase, WMLP customers will enjoy having their electric bills 46% lower than neighboring Massachusetts customers served by an Investor-Owned Utility. This additional money will be used by the WMLP to purchase renewable electricity, and may also fund local projects such as:

- Community solar generation facilities;
- Power storage for peak electric use times;
- Infrastructure such as public charging stations for electric vehicles, and other similar programs.

“WECARE is an exciting new program dedicated to reducing the climate impact of the energy we use in Wellesley. Through an additional optional charge on Wellesley electric bills, we will generate funds dedicated to the continued improvement of Wellesley's environmental footprint. I'm thrilled about the opportunities this program will create for Wellesley to make energy-related investments with meaningful impact. The product of analysis and advocacy, forged through the input of many residents and elected representatives, WECARE will invest in a cleaner and greener future. We hope all residents will participate in this program,” said Jeff Wechsler, Chair of the Wellesley Municipal Light Board.

Beginning on July 1, 2021 all WMLP customers will be automatically enrolled in WECARE unless they choose not to participate by “opting out” of this program. No action is required by residents who support the Town’s decision to accelerate GHG reduction. Residents who do not wish to participate can opt-out using one of two methods:

- Email the WMLP at wecare@wellesleyma.gov
- Call WMLP customer service at 781-235-7600

In addition to benefitting the environment, the program will also boost New England's economy by using local sources of renewable power.

During Wellesley’s 2021 Annual Town Meeting, Town Meeting members will consider new emission reduction goals. The WECARE program will help accelerate financial support for projects that will assist the Town in meeting these goals.

For more information, visit the [Wellesley Municipal Light Plant webpages](#).

-END-

YOU CAN'T PUT A PRICE ON A CLEANER, GREENER FUTURE.

Actually, you can.

That sounds like a small price to pay for a cleaner, greener future for Wellesley. And all you have to do is stay in **WECARE** (Wellesley Electric Customers Accelerated Reduction of Emissions), the exciting new program dedicated to reducing the climate impact of the energy we use here in Wellesley.

WHAT WILL IT COST?

Last year, Town Meeting pledged to support the Wellesley Municipal Light Plant's efforts to reduce greenhouse gas emissions (GHG) in our community. **WECARE** will add 4% to monthly electric bills for all participants - about \$4.60 for the average residential customer. Even with this added charge, WMLP customers' electric bills will still be 46% lower than the bills of customers in neighboring Massachusetts towns served by an investor-owned utility.

It's about \$5 a month.

WHAT WILL YOU GET?

You can breathe easier because this additional money will be used by the WMLP to purchase renewable electricity, helping us cut down on greenhouse gas emissions that pollute the air. It may also fund other local projects such as the installation of community solar generation facilities, battery storage or public electric vehicle charging stations.

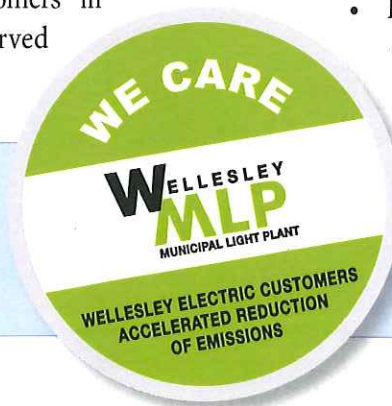
TO MOVE AHEAD, STAY PUT.

By vote of the Municipal Light Board, all WMLP residential and commercial electric customers will be automatically enrolled in **WECARE** on July 1, 2021.

If you choose not to take part, you can **OPT OUT** by:

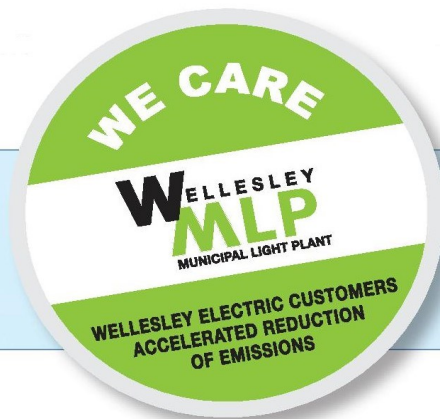
- Emailing wecare@wellesleyma.gov or
- Calling WMLP Customer Service at 781-235-7600.

Please support the
WECARE program.



Together, we can work
to create a cleaner, greener
future for Wellesley.

**Please support the
WECARE program.**



**Together, we can work
to create a cleaner, greener
future for Wellesley.**

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In 2020, Wellesley Town Meeting members adopted a resolution addressing the serious impact of climate change and pledged to support efforts by the WMLP to expand customer participation in the renewable energy program by changing the current opt-in enrollment to an opt-out program. Fees collected from the WECARE program will fund local renewable energy projects chosen by the WMLP for their impact on greenhouse gas emissions (GHG) reduction in our community.

The WECARE program will add 4% to monthly electric bills for all residential and commercial accounts. For the average customer using 750 kWh, this will add \$4.60 to the monthly cost. Even with this increase, WMLP customers will enjoy having their electric bills 46% lower than neighboring Massachusetts customers served by an investor-owned utility. This additional money will be used by the WMLP to purchase renewable electricity, and may also fund local projects such as:

- Community solar generation facilities;
- Power storage for peak electric use times;
- Infrastructure such as public charging stations for electric vehicles, and other similar programs.

If you desire to do more for this cause to reduce GHG in our community, this program offers an option for customers to purchase all of their energy from renewable sources. Under this option, customers may elect to purchase 100% of their energy from renewable sources at a rate of \$0.044 per Kilowatt-Hour (kWh). Many customers are already doing this under our voluntary renewable energy program, which will become part of the WECARE program.

Beginning on July 1, 2021 all WMLP customers will be automatically enrolled in WECARE unless they choose not to participate by “opting out” of this program. No action is required by residents who support the Town’s decision to accelerate GHG reduction. Residents who do not wish to participate can opt-out using one of two methods:

Email the WMLP at wecare@wellesleyma.gov

Call WMLP customer service at 781-235-7600

In addition to benefitting the environment, the program will also boost New England’s economy by using local sources of renewable power.

For more information, visit the [Wellesley Municipal Light Plant webpages](#).

BOARD MATERIALS AVAILABLE BUT NOT DISCUSSED

AP and Payroll Questions for the 21-08-12 Board of Commissioners Book

AP:

On July 9th there were no Commissioner questions.

On July 16th there were no Commissioner questions

On July 16th there were no Commissioner questions

On July 23rd there were no Commissioner questions

On July 30th there were no Commissioner questions

On August 6th there were no Commissioner questions

Payroll:

On July 19th there were no Commissioner questions

On August 2nd there were no Commissioner question

This document will be included in the 2021-08-12 Board Book.

Town of Reading, Massachusetts
Municipal Light Department
Statement of Net Assets
6/30/2021

	2021	2020
ASSETS		
Current:		
Unrestricted Cash	\$ 21,044,140	\$ 22,391,641
Restricted Cash	28,675,124	26,880,611
Restricted Investments	2,695,115	1,359,036
Receivables, Net	8,462,574	7,692,222
Prepaid Expenses	2,299,606	2,340,114
Inventory	1,855,055	1,882,168
Total Current Assets	65,031,613	62,545,792
Noncurrent:		
Investment in Associated Companies	874,494	802,470
Capital Assets, Net	84,190,610	81,623,888
Total Noncurrent Assets	85,065,104	82,426,358
Deferred Outflows - Pension Plan	5,360,409	8,102,116
TOTAL ASSETS	155,457,126	153,074,265
 LIABILITIES		
Current		
Accounts Payable	7,243,068	7,023,631
Accrued Liabilities	405,281	361,285
Customer Deposits	1,438,125	1,361,015
Advances from Associated Companies	200,000	200,000
Customer Advances for Construction	2,399,961	1,975,590
Total Current Liabilities	11,686,435	10,921,522
Non-current		
Accrued Employee Compensated Absences	1,968,355	2,471,374
Net OPEB Obligation	7,166,506	7,094,569
Net Pension Liability	12,054,935	14,610,001
Total Non-current Liabilities	21,189,796	24,175,944
Deferred Inflows - Pension Plan	2,652,103	1,964,276
TOTAL LIABILITIES	35,528,334	37,061,742
 NET POSITION		
Invested in Capital Assets, Net of Related Debt	84,190,610	81,623,888
Restricted for Depreciation Fund	8,922,391	7,108,736
Restricted for Pension Trust	6,592,771	6,365,431
Unrestricted	20,223,020	20,914,469
TOTAL NET POSITION	119,928,792	116,012,524
Total Liabilities and Net Assets	\$ 155,457,126	\$ 153,074,265

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
6/30/2021

	Month Current Year	Month Last Year	Year to Date Current Year	Year to Date Last Year	Percent Change
Operating Revenues					
Base Revenue	\$ 2,360,725	\$ 2,136,870	\$ 13,260,408	\$ 12,824,424	3.4%
Fuel Revenue	2,326,933	1,859,414	12,305,422	11,432,039	7.6%
Purchased Power Capacity & Transmission	2,915,551	2,512,148	16,026,601	15,311,375	4.7%
Forfeited Discounts	62,563	66,223	392,092	392,790	(0.2%)
Energy Conservation Revenue	57,744	49,188	312,866	299,492	4.5%
NYPA Credit	(117,535)	(131,377)	(608,862)	(597,383)	1.9%
Total Operating Revenues	7,605,981	6,492,466	41,688,527	39,662,737	5.1%
Expenses					
Power Expenses:					
547 Purchased Power Fuel	2,201,905	1,986,711	13,434,270	13,303,416	1.0%
555 Purchased Power Capacity	1,379,315	1,466,444	8,674,381	9,695,489	(10.5%)
565 Purchased Power Transmission	1,428,730	1,123,148	6,940,671	5,636,553	23.1%
Total Purchased Power	5,009,950	4,576,302	29,049,322	28,635,459	1.4%
Operations and Maintenance Expenses:					
580 Supervision and Engineering	96,823	86,466	512,352	496,740	3.1%
581 Station/Control Room Operators	53,876	29,803	242,249	243,096	(0.3%)
582 Station Technicians	56,861	50,162	327,120	192,776	69.7%
583 Line General Labor	57,211	30,850	303,121	284,594	6.5%
586 Meter General	18,080	5,980	84,904	78,559	8.1%
588 Materials Management	39,535	32,715	211,548	214,955	(1.6%)
593 Maintenance of Lines - Overhead	21,656	17,854	167,104	150,186	11.3%
593 Maintenance of Lines - Tree Trimming	12,197	48,839	149,336	199,244	(25.0%)
594 Maintenance of Lines - Underground	(1,164)	(4,259)	5,335	17,209	(69.0%)
595 Maintenance of Line - Transformers	16,711	28,302	76,139	60,216	26.4%
598 Line General Leave Time Labor	31,201	12,491	158,115	182,589	(13.4%)
Total Operations and Maintenance	402,988	339,203	2,237,324	2,120,165	5.5%
General & Administration Expenses:					
903 Customer Collections	81,154	126,668	520,963	632,222	(17.6%)
904 Uncollectible Accounts	8,750	8,750	52,500	52,500	0.0%
916 Energy Audit	83,173	102,562	354,418	322,667	9.8%
916 Energy Conservation	140,275	48,351	751,530	378,927	98.3%
920 Administrative and General Salaries	196,905	155,988	954,650	1,036,607	(7.9%)
921 Office Supplies and Expense	351	345	5,715	3,394	68.4%
923 Outside Services - Legal	48,510	55,940	151,307	157,076	(3.7%)
923 Outside Services - Contract	22,174	59,625	143,357	105,349	36.1%
923 Outside Services - Education	2,631	3,602	10,421	22,685	(54.1%)
924 Property Insurance	33,111	29,739	229,523	204,951	12.0%
925 Injuries and Damages	3,557	3,268	11,584	28,302	(59.1%)
926 Employee Pensions and Benefits	(71,426)	238,821	1,756,602	1,974,559	(11.0%)
930 Miscellaneous General Expense	24,476	10,256	211,090	95,143	121.9%
931 Rent Expense	13,888	15,146	108,553	103,252	5.1%
933 Vehicle Expenses	325,646	14,652	446,835	78,136	471.9%
933 Vehicle Expenses - Capital	(305,560)	(38,041)	(452,280)	(157,124)	187.8%
935 Maintenance of General Plant	2,508	(39,063)	289,740	337,225	(14.1%)
935 Maintenance of Building & Garage	67,250	133,495	398,693	638,218	(37.5%)
Total General & Administration Expenses	677,373	930,103	5,945,201	6,014,091	(1.1%)

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
6/30/2021

Other Operating Expenses:

403 Depreciation	406,980	391,601	2,441,878	2,349,603	3.9%
408 Voluntary Payments to Towns	137,954	133,918	827,718	803,505	3.0%
Total Other Expenses	<u>544,933</u>	<u>525,518</u>	<u>3,269,596</u>	<u>3,153,108</u>	<u>3.7%</u>
Operating Income	970,736	121,339	1,187,084	(260,086)	(556.4%)

Non Operating Revenues (Expenses):

415 Contribution in Aid of Construction					
419 Interest Income	8,106	39,767	90,992	184,408	(50.7%)
419 Other	17,718	(5,928)	578,771	654,773	(11.6%)
426 Return on Investment to Reading	(206,709)	(206,709)	(1,240,253)	(1,240,253)	(0.0%)
426 Loss on Disposal	-	-	-	-	
431 Interest Expense	(3,783)	(2,332)	(22,614)	(35,263)	(35.9%)
Total Non Operating Revenues (Expenses)	<u>(184,668)</u>	<u>(175,202)</u>	<u>(593,104)</u>	<u>(436,336)</u>	<u>35.9%</u>
Change in Net Assets	786,068	(53,863)	593,980	(696,422)	(185.3%)

Net Assets at Beginning of Year	119,334,812	116,708,946	119,334,812	116,708,946	2.2%
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Ending Net Assets	<u>\$ 120,120,880</u>	<u>\$ 116,655,083</u>	<u>\$ 119,928,792</u>	<u>\$ 116,012,524</u>	<u>3.4%</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
6/30/2021

	Actual Year to Date	BUDGET Through June 2021	Over/(Under) Budget \$	Over/(Under) Budget %
Operating Revenues				
Base Revenue	\$ 13,260,408	\$ 14,146,494	\$ (886,086)	(6.3%)
Fuel Revenue	12,305,422	13,947,227	(1,641,805)	(11.8%)
Purchased Power Capacity & Transmission	16,026,601	17,732,774	(1,706,173)	(9.6%)
Forfeited Discounts	392,092	464,502	(72,410)	(15.6%)
Energy Conservation Revenue	312,866	326,997	(14,131)	(4.3%)
NYPA Credit	(608,862)	(571,787)	(37,075)	6.5%
Total Operating Revenues	41,688,527	46,046,207	(4,357,681)	(9.5%)
Expenses				
Power Expenses:				
555 Purchased Power Fuel	13,434,270	13,375,440	58,830	0.4%
555 Purchased Power Capacity	8,674,381	8,843,684	(169,303)	(1.9%)
565 Purchased Power Transmission	6,940,671	8,889,090	(1,948,419)	(21.9%)
Total Purchased Power	29,049,322	31,108,214	(2,058,892)	(6.6%)
Operations and Maintenance Expenses:				
580 Supervision and Engineering	512,352	571,597	(59,244)	(10.4%)
581 Station/Control Room Operators	242,249	248,968	(6,719)	(2.7%)
582 Station Technicians	327,120	224,007	103,113	46.0%
583 Line General Labor	303,121	529,380	(226,259)	(42.7%)
586 Meter General	84,904	92,066	(7,162)	(7.8%)
588 Materials Management	211,548	227,982	(16,434)	(7.2%)
593 Maintenance of Lines - Overhead	167,104	279,400	(112,296)	(40.2%)
593 Maintenance of Lines - Tree Trimming	149,336	459,424	(310,088)	(67.5%)
594 Maintenance of Lines - Underground	5,335	40,448	(35,112)	(86.8%)
595 Maintenance of Line - Transformers	76,139	113,665	(37,526)	(33.0%)
598 Line General Leave Time Labor	158,115	223,939	(65,824)	(29.4%)
Total Operations and Maintenance Expenses	2,237,324	3,010,876	(773,552)	(25.7%)
General & Administration Expenses:				
903 Customer Collection	520,963	484,694	36,269	7.5%
904 Uncollectible Accounts	52,500	52,500	-	0.0%
916 Energy Audit	354,418	300,710	53,708	17.9%
916 Energy Conservation	751,530	607,018	144,512	23.8%
920 Administrative and General Salaries	954,650	1,125,511	(170,861)	(15.2%)
921 Office Supplies and Expense	5,715	10,000	(4,285)	(42.8%)
923 Outside Services - Legal	151,307	248,500	(97,193)	(39.1%)
923 Outside Services - Contract	143,357	254,200	(110,843)	(43.6%)
923 Outside Services - Education	10,421	128,911	(118,490)	(91.9%)
924 Property Insurance	229,523	244,850	(15,327)	(6.3%)
925 Injuries and Damages	11,584	28,527	(16,943)	(59.4%)
926 Employee Pensions and Benefits	1,756,602	1,833,003	(76,401)	(4.2%)
930 Miscellaneous General Expense	211,090	253,145	(42,056)	(16.6%)
931 Rent Expense	108,553	106,000	2,553	2.4%
933 Vehicle Expense	446,835	194,300	252,535	130.0%
933 Vehicle Expense - Capital Clearing	(452,280)	(177,272)	(275,008)	155.1%
935 Maintenance of General Plant	289,740	231,888	57,852	24.9%
935 Maintenance of Building & Garage	398,693	466,737	(68,044)	(14.6%)
Total General & Administration Expenses	5,945,201	6,393,220	(448,019)	(7.0%)

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
6/30/2021

Other Operating Expenses:

403 Depreciation	2,441,878	2,458,173	(16,295)	(0.7%)
408 Voluntary Payments to Towns	827,718	827,230	488	0.1%
Total Other Expenses	<u>3,269,596</u>	<u>3,285,403</u>	<u>(15,807)</u>	<u>(0.5%)</u>
Operating Income	1,187,084	2,248,495	(1,061,411)	(47.2%)

Non Operating Revenues (Expenses):

415 Contribution in Aid of Construction	-	150,000	(150,000)	(100.0%)
419 Interest Income	90,992	250,000	(159,008)	(63.6%)
419 Other Income	578,771	442,500	136,271	30.8%
426 Return on Investment to Reading	(1,240,253)	(1,240,253)	-	0.0%
426 Loss on Disposal	-	(50,000)	50,000	(100.0%)
431 Interest Expense	(22,614)	(22,500)	(114)	0.5%
Total Non Operating Revenues (Expenses)	<u>(593,104)</u>	<u>(470,253)</u>	<u>(122,851)</u>	<u>26.1%</u>
Net Income	<u>\$ 593,980</u>	<u>\$ 1,778,242</u>	<u>\$ (1,184,261)</u>	<u>(66.6%)</u>

From: [Maureen Sullivan](#)
To: [Erica Morse](#)
Cc: [Paula O'Leary](#); [Jeanne Foti](#)
Subject: Surplus Update - July 2021
Date: Monday, August 2, 2021 8:39:28 AM

Good morning Erica,

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

Thank you,
Maureen

Maureen Sullivan
Assistant Materials Manager
Reading Municipal Light Department (RMLD)
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Reading, MA 01867

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