



## AGENDA

### REGULAR SESSION

#### READING MUNICIPAL LIGHT DEPARTMENT CITIZENS' ADVISORY BOARD (CAB) MEETING

Wednesday, September 19, 2018

6:30 pm

230 Ash Street, Winfred Spurr AV Room  
Reading, MA 01867

1. Call Meeting to Order – G. Hooper, Chair
2. Approval of Minutes – G. Hooper, Chair  
*Suggested Motion:* Move that the Citizens' Advisory Board approve the Minutes of the April 30 2018, May 16, 2018 (Regular and Executive Session), and June 20, 2018, meetings as written.
3. NEPPA Annual Conference Recap – G. Hooper, Chair
4. CY2019 Budget Process – C. O'Brien, General Manager
5. CAB Reorganization – G. Hooper, Chair
6. Next Meeting – G. Hooper, Chair
7. Tour of the Control Center – C. O'Brien, General Manager
8. Adjournment – G. Hooper, Chair

This Agenda has been prepared in advance and does not necessarily include all matters which may be taken up at this meeting.



## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2018-04-30

Time: 6:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Draft

#### Attendees: **Members - Present:**

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

#### **Members - Not Present:**

#### **Others Present:**

Ms. Coleen O'Brien, General Manager; Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Ms. Kathleen Rybak, Mr. Bill Seldon

**Minutes Respectfully Submitted By:** Mr. Dennis Kelley, Secretary

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### Topics of Discussion:

1. Call Meeting to Order – G. Hooper, Chair

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

2. Approval of Minutes – G. Hooper, Chair  
Materials: Draft Minutes from February 28, 2018

Mr. Kelley made a motion that the Citizens' Advisory Board approve the minutes of the February 28, 2018, meeting as written, seconded by Mr. Soni. Hearing no further discussion, **motion carried 4:0:1** (4 in favor, 0 opposed, 1 abstained).

3. FY19 Budget Discussion – G. Hooper, Chair

Chair Hooper noted there were two members absent from the April 18<sup>th</sup> meeting when the FY2019 operating budget and proposed rates were presented. For that reason, Chair Hooper did not entertain a motion on the rate increase at that meeting. Chair Hooper opened the floor for discussion.

Mr. Kelley stated that he would prefer to look at the budget and what we could reduce in the budget to lower overhead as opposed to increasing the rates. Mr. Kelley acknowledged there is a lot of work to be done and being done, however, suggested there may an opportunity to look at different projects and try to find ways to save costs.

Chair Hooper agreed, noting that he had voted for increases in the past knowing that there is a lot of good work that's coming up such as the new substation in Wilmington,

which will require a lot of capital funding. Chair Hooper suggested we take another hard look at the budget to see if the 2% (increase) could be zeroed out.

Ms. Markiewicz (referring to page 94 of the Budget) noted Fixed Costs represent RMLD obligations and commitments - there's nothing we can do about that portion. Power supply is going down over \$1m, but it is a pass-through to the customers. Semi-Variable Costs are 18.27% (\$17.6m) of the budget and is the only portion that we could even entertain discussion. The FY19 semi-variable costs are budgeted at about \$1.3m higher than FY18. Ms. Markiewicz noted that FY18 year-end is projected at almost \$1m higher than budget due largely to the March storms.

The group discussed the need for, and timing of, some of the capital improvement projects. Ms. O'Brien noted the depreciation expense of 3% is part of the Operating Budget and that doesn't change. What piece could change, would be the transfers (from gross profits from previous years), but that had intentionally been set aside to meet the anticipated capital outlay. For the operating budget, as Ms. Markiewicz has stated, semi-variable costs are the only areas where we could look to decrease the budget. We are carrying some vacancies. However, a recent reorganization study suggested 12 vacancies to be filled and only eight are being filled. Staffing levels are extremely low. We are really talking about whether or not to cut into the rate of return. The Commissioners had voted an up to 8% (DPU allowed) rate of return for several years in order to set gross profit aside to pay for the capital outlay, including the new substation, with minimal bonding necessary. We don't know what is going to happen down the road (with reduced sales, transmission costs and other expenses) so we want to minimize debt. Ms. Markiewicz noted that without the rate increase, the rate of return would be 5.52% (or \$1.9m less).

Ms. O'Brien referenced a prior study looking at whether or not RMLD was investing appropriately into the system. The study confirmed \$8m annually, based on the size of the system, aside from the fact that maintenance was lacking for years. The combination of 3% depreciation, plus previous profits is what is needed to make the capital expenditures as delineated in the 5-10 year plan.

Mr. Soni asked about the history of increases over the past few years, and what is the anticipated percentage decrease in kilowatt hours sales. Ms. Markiewicz reported that right now we are at 1.8% decrease, we're projecting 1%, but currently as it stands we are 1.8% down. Ms. O'Brien provided a brief overview of the rate history since she joined RMLD. Staff now meets with the towns twice a year; once with an anticipated increase, and again as they segue into their budgets.

Ms. O'Brien reminded the group that (as a result of the Cost of Service Study last year) it was voted to mitigate the cross-subsidization among rate classes. This is just a transfer of money between rate classes and does not add revenue to the budget. As a result of this strategy, if a rate increase was not approved, the residential rates would go up slightly and the commercial/school and industrial rate would go down slightly because we are trying to get to a zero rate of return within rate classes.

Chair Hooper noted in comparing the FY18 Proposed Rate Increase spreadsheet to the FY19 Proposed Rate Increase spreadsheet (using the residential 500kWh rate as an example) the proposal was to bring it from \$76.81 up to \$81.89 (in FY18). However, when you look at the FY19 Proposed Rates, instead of \$81.89 (for the present FY18 rate), it is actually \$82.82. Mr. Seldon explained that the fuel charge fluctuates every month; when the proposed rate is calculated for rate presentation, the fuel charge that is current at that time is used to calculate the "present rate".

Mr. Soni questioned the impact of energy efficiency measures on the decrease in sales. Mr. Seldon responded that we don't have any hard data that can pinpoint a decrease in residential usage by "x" amount due to efficiency measures. However, everything is

more energy efficient now. Ms. O'Brien noted that the 1-2% decrease in sales represents more of a cumulative impact from commercial customers.

Ms. O'Brien stated that RMLD is trying to lower the rate of return (gross profits) closer to 6% as soon as the substation is built, which is why there is a convergence as has been noted with discussions around the payment to the Town of Reading. That is why that (payment) can't be sustained with gross profits. We must continue to fund the capital outlay, and it's my recommendation that that be a priority. We should support the Town, but perhaps a calculation that is more indicative of the health of the utility should be considered.

Hearing no further discussion, Chair Hooper asked for a motion.

Mr. Cohen made a motion that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners the adoption of rates MDPU numbers 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, and 290, dated to be effective July 1, 2018, on the recommendation of the General Manager, seconded by Mr. Soni. Hearing no further discussion, **motion carried** 3:2:0 (3 in favor, 2 opposed, 0 absent).

4. Scheduling Upcoming CAB Meetings and Coverage for Commissioners Meetings – G. Hooper, Chair

Scheduling for upcoming meetings and coverage for the Board of Commissioners meetings was discussed. An updated schedule will be distributed to CAB members.

The next CAB meeting is scheduled for May 16<sup>th</sup>.

Ms. O'Brien reported that she has completed the draft report requested by the Subcommittee to Review the Payment to the Town of Reading. That draft will be forwarded to CAB members.

Ms. O'Brien reported that the Board of Commissioners has voted to change the fiscal year to a January start (rather than the current July start). The CY19 Budget will be provided to the CAB by the end of September for review in October.

5. Adjournment – G. Hooper, Chair

Mr. Kelley made a motion to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Small. Hearing no further discussion **motion carried** 5:0:0 (5 in favor, 0 opposed, 0 absent). Meeting adjourned at 7:13 PM.





## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2018-05-16

Time: 6:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Draft

#### Attendees: **Members - Present:**

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

#### **Members - Not Present:**

#### **Others Present:**

Mr. Phil Pacino, Board of Commissioners  
Ms. Coleen O'Brien, General Manager; Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Mr. Tom Ollila, Ms. Jane Parenteau, Ms. Kathleen Rybak

**Minutes Respectfully Submitted By:** Mr. Dennis Kelley, Secretary

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#### **Topics of Discussion:**

1. Call Meeting to Order – G. Hooper, Chair

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

2. FY18 – Q3 Financial Report – M. Markiewicz, Director of Business, Finance & Technology  
Materials: Presentation Slides and Financial Statements for Period Ending 3/31/18

Ms. Markiewicz reviewed the presentation slides and graphs representing the financials for the period ending March 31, 2018. Highlights of the reporting period were outlined on Slide 1. Slide 2 is a pie chart showing Cash and Investments. Ms. Markiewicz noted that 33% is the Operating Fund (cash), which is what RMLD can actually use to operate and maintain the system day-to-day. Sixty-seven percent is restricted (for various reasons) and we cannot touch those funds. Slide 3 shows a seven-year comparison of base revenue as compared to operating expenses, using FY17 and FY18 actuals (YTD through March). These operating expenses do not include power. Slide 4 represents Operating and Maintenance expenses. Ms. Markiewicz noted that through March 31 we are 1% under budget. However, when presenting the FY19 Operating Budget, she had reported that we would likely be coming in at 2.7% above budgeted costs (as a result of the March storms). The discrepancy is due to the timing of payables. Mutual aid invoices were not submitted on time and are not included in the March numbers; they were paid in April and May.

Chair Hooper asked about the difference between "sick leave buyback" and "sick leave benefits". Ms. Markiewicz responded that they are one-in-the-same, but in two

separate funds (cash and investments); combined, they represent the entire sick leave buyback liability.

Mr. Small asked about power expenses, which are \$2.3m more than revenue. Ms. Markiewicz noted that IRD looks at that month to month and will recoup it with the next billing cycle. Ms. Parenteau stated that the deferred fuel cash reserve is used to balance that so there are not significant increases or volatility within the consumer billing. We have been ramping that up to recoup that difference without giving customers an increase. That was driven by January fuel costs, which were approximately \$1m higher than forecasted due to the cold weather.

3. Reliability Study Update – H. Jaffari, Director of Engineering & Operations  
Materials: Booth and Associates – 2015 Reliability Study – Recommendations (dated 4/17/18)

Mr. Jaffari reported that all projects are on target. Since the last report, Item #52 has been completed. At Station 3, we have completed automation, the auto transfer bus scheme as well as the old relays have been replaced, and the reactors have been installed to drop the incident energy to an acceptable level. For the remaining items, we chose to go a different route than what was recommended as those options are not viable (construction-wise). The new Wilmington substation will address a lot of these problems.

Mr. Kelley asked about a recent outage in Wilmington. Mr. Jaffari responded that the outage occurred during required testing of the 115kv breakers and the lockout relays. When the technician injected the current to open up the breaker on the right, it opened the breaker on the left, which dumped the entire bus and we lost half of the towns for 5-10 minutes. We identified and fixed the problem, which is why we do the testing.

4. Organizational Study Update – C. O'Brien, General Manager

Ms. O'Brien reminded the group that since there are only a few outstanding items from the Organizational Study, she would focus on updates to those.

The consumer satisfaction survey will be generated once the new RMLD website is rolled out. Customers will be asked to complete the survey on-line through the website. We are also working to put the employee survey on-line. Once we have the results of both surveys, a company-wide meeting will be scheduled to review those results. Surveys are an important feedback mechanism and the team is strategizing with the help of MEAM Communications.

Ms. O'Brien reported that a high level re-organization has been completed and we are now at the granular level. A re-organization is currently underway for IT and Tech Services; the Line group and Facilities will be next. We continue to work with the unions as we transition. With retirements or attrition, we continuously look at the organizational chart to be sure it meets the needs of the company going forward and to keep up with technology changes.

All Career Development Plans (CDPs) are being reviewed to be sure they are all formatted consistently, policies and procedures are being written on how CDPs should be updated, and they will all be put on SharePoint. CDPs will be updated on a regular basis as things change within a division.

Ms. O'Brien reported that she had attended a meeting at MEAM regarding OSHA compliance. In February of 2019 all public employees must be compliant with OSHA. RMLD appears to be in good shape except for some logistics; for example, if we issue a policy and we put in on SharePoint, everyone gets an email notification that there is a new policy. We will need to take that another step and have printed copies signed by employees. Addendums will be needed to all of the contracts stating that contractors

have to be in compliance with OSHA. RMLD will undertake a three-day self-assessment with the support of an OSHA consultant and will have until February to make corrections.

Chair Hooper asked if staff would need to be certified in OSHA 30. Ms. O'Brien responded that (were applicable) we have OSHA 1910.259 as a required training. The APPA Manual that was adopted as one component of the Safety Program is OSHA based.

Mr. Jaffari reported that RMLD has completed and passed a recent NERC audit related to physical and cyber security.

5. NEPPA Annual Meeting – G. Hooper, Chair  
Materials: NEPPA Annual Conference (Website) Printout

Chair Hooper noted that the NEPPA Annual Conference will take place on August 19-22 in Falmouth and asked if anyone was interested in attending. Mr. Soni and Mr. Small expressed interested in attending. The group agreed to authorize up to three members to attend.

Mr. Soni made a motion that the CAB authorize up to three members to attend the NEPPA Annual Conference, seconded by Mr. Small. Hearing no further discussion, **motion carried 5:0:0** (5 in favor, 0 opposed, 0 absent).

6. Scheduling: Upcoming CAB Meetings and Coverage for Commissioners Meeting – G. Hooper, Chair

June 20<sup>th</sup> CAB meeting will be covered by Mr. Stempeck. The June 21<sup>st</sup> Board of Commissioners meeting will be covered by Mr. Cohen. Chair Hooper will cover the July 19<sup>th</sup> Board of Commissioners meeting.

7. Executive Session – G. Hooper, Chair

Mr. Cohen made a motion that the Citizens' Advisory Board go into Executive Session based on Chapter 164 Section 47D exemption from public records and open meeting requirements in certain instances, to discuss competitively sensitive issues, and return to regular session for the sole purpose of adjournment, seconded by Mr. Soni. Motion passed by roll call of members present, Mr. Soni, aye; Mr. Cohen aye; Mr. Small, aye, Chair Hooper, aye, Mr. Kelley aye.

8. Adjournment – G. Hooper, Chair

Mr. Kelley made a motion to adjourn the meeting of the Citizens' Advisory Board, seconded by Mr. Small. Hearing no further discussion **motion carried 5:0:0** (5 in favor, 0 opposed, 0 absent).

Meeting adjourned at 7:40.







## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2018-06-20

Time: 6:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Draft

#### Attendees: **Members - Present:**

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

#### **Members - Not Present:**

Mr. Dennis Kelley, Secretary (Wilmington)

#### **Others Present:**

Mr. Phil Pacino, Board of Commissioners  
Ms. Coleen O'Brien, General Manager; Ms. Joyce Mulvaney, Ms. Jane Parenteau, Ms. Kathleen Rybak, Mr. Ben Thivierge

**Minutes Respectfully Submitted By:** Mr. George Hooper, Chair

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#### Topics of Discussion:

1. Call Meeting to Order – G. Hooper, Chair

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

2. Approval of Minutes – G. Hooper, Chair

Materials: Draft Minutes from April 11, 2018, and April 18, 2018.

Mr. Cohen made a motion to approve the minutes of the April 11, 2018, meeting as written, seconded by Mr. Vivek. Hearing no further discussion, **motion carried 4:0:1** (4 in favor, 0 opposed, 1 absent).

Mr. Cohen made a motion to approve the minutes of the April 18, 2018, meeting as written, seconded by Mr. Small. Hearing no further discussion, **motion carried 3:0:1:1** (3 in favor, 0 opposed, 1 abstained, 1 absent).

3. New OSHA Requirements – C. O'Brien, General Manager

Ms. O'Brien reported that effective February 2019 all State and municipal workers will need to comply with OSHA requirements. RMLD staff has attended some training classes regarding the requirements, and a consultant has been hired through NEPPA to do an all-staff training in June as well as a three-day self audit at the end of the summer. Ms. O'Brien stated that she believes, overall, RMLD is in good shape other than some logistics or procedural issues, i.e., staff acknowledgement of procedures, and contractor oversight.

Mr. Small noted that the State is offering webinars on the new requirement; the State is adopting the OSHA requirements, and the Department of Standards will be enforcing it. The State is also offering free audits and will work with you if they find you are not in compliance. They will give a time frame for compliance; if you don't meet the time frame, you could be fined.

4. Electric Vehicle Pilot Program – B. Thivierge, Resource Specialist, IRD  
Materials: "Electrify Your Ride" presentation slides

Mr. Thivierge provided a basic overview of electric vehicles (EV) and their potential revenue generating benefit for RMLD. As of June 1<sup>st</sup> (and running through October) RMLD is offering a pilot rebate program for residential customers. The program offers customer rebates of \$1,000 - \$1,500 depending on the type of electric vehicle purchased or leased. The residential EV charging station rebate program has also been updated to cover 100% of the cost of equipment up to \$500 for Level II networked or "smart" charging stations. The target is six rebates per month; the June target has already been met. RMLD, working with Mass Energy Alliance and local car dealerships, will also do marketing and educational campaigns on the benefits of electrical vehicles and the available tax and rebate incentives.

Mr. Cohen asked about the financial benefit to RMLD. RMLD is foregoing any benefit for a period of 3-5 years. Is that a correct interpretation of the numbers? Ms. Parenteau responded that it was. Based on current State data, there are 70-90 electric vehicles that have been purchased within the RMLD service territory. We want to educate consumers about the benefits of electric vehicles in order to capitalize on that potential increase in revenue. Ms. O'Brien added that RMLD, by State mandate, must put aside one quarter of 1% for conservation initiatives (public education and/or rebates). Funds for this rebate program will be paid from the conservation fund. RMLD has provided rebates for solar installations, but with a negative payback. This program uses the same money toward a program with potential payback in three years (through increased revenue).

5. Redesigned RMLD Website – J. Mulvaney, Communications Manager

Ms. Mulvaney presented a "tour" of the new RMLD website, which was launched on June 1<sup>st</sup>. The goals of the redesign was a more business-like theme and a mobile-friendly site that is easier to use with a phone or other mobile device.

6. Next Meeting – G. Hooper, Chair  
The next meet of the Citizens' Advisory Board will be held on July 18, 2018.

7. Adjournment – G. Hooper, Chair  
Mr. Cohen made a motion to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Small. Hearing no further discussion **motion carried 4:0:1** (4 in favor, 0 opposed, 1 absent).

Meeting adjourned at 7:25 PM

# RMLD PLUG-IN ELECTRIC VEHICLE REBATE PROGRAMS

Residential Customers

Plug-in Electric Vehicle Pilot Rebate Program: June 1, 2018 – October 31, 2018

Electric Vehicle Type	New	Used
Plug-in Hybrid Electric Vehicle PLUS (PHEV+)*	\$1,000	--
Battery Electric Vehicle (BEV)	\$1,500	\$1,500

\*PHEV+ is a plug-in hybrid electric vehicle with an on-board battery capacity greater than 10 kWh.

## Updated Residential EV Charging Station Rebate:

100% of equipment costs up to \$500 for the home installation of a level 2 networked (or "smart") charging station

## MARKETING

- Educational article series Electrify Your Ride published in newspapers, the Patch, and on Twitter
- Info on billing envelopes and emails
- Ride and Drive Event: July 15th

## Plug-in Electric Vehicle RIDE AND DRIVE EVENT

Sunday, July 15, 2018  
10:00 am - 2:00 pm

**SWAIN GREEN**  
**Middlesex Ave., Wilmington**  
**(across from the Town Common)**

To take place with the Wilmington Farmers Market

View an assortment of Plug-in Electric Vehicles  
Test drive a variety of EV makes and models  
Talk to dealers, vendors and current owners  
Get info on available incentive programs  
Learn about rebates offered by RMLD  
Enjoy snacks and enter our raffle!



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