

**READING MUNICIPAL
LIGHT DEPARTMENT**

**BOARD
OF
COMMISSIONERS**

REGULAR SESSION

AUGUST 14, 2013



**READING MUNICIPAL LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING**

230 Ash Street
Reading, MA 01867
August 14, 2013
7:30 p.m.

1. Call Meeting to Order
2. Opening Remarks
3. Introductions
4. Public Comment
5. Approval of Board Minutes (Tab A)
May 29, 2013 and June 26, 2013 ACTION ITEMS
6. Report of the Chairman (Tab B) ACTION ITEMS
 - a. RMLD Board of Commissioners Committee and Assignments
Note: Discussion of General Manager and Power & Rate Committees.
 - b. RMLD Board of Commissioners Committees
Note: Expectations of each committee for the upcoming year.
 - c. Retroactive Step Up for Interim General Manager – Kevin Sullivan
Note: Mr. Sullivan covered in this position January 11, 2013 to July 14, 2013.
 - d. Comprehensive Update of the Reading Zoning Bylaw
7. General Manager's Report – Ms. O'Brien – General Manager
 - a. RMLD Initial Assessments
8. Power Supply Report – June 2013 – Ms. Parenteau (Tab C)
 - a. Peak and Potential Cost Savings
Note: This was requested by Commissioner Talbot at the last meeting.
9. Engineering and Operations Report – June 2013 – Mr. Sullivan (Tab D)
10. Financial Report – June 2013 – Mr. Fournier (Tab E)
11. General Discussion

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, July 2013

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Wednesday, September 25, 2013

Wednesday, October 30, 2013

Citizens' Advisory Board Meeting

September 18, 2013 – 6:30 pm

Fiscal Year 2015 Budget Meetings

April 2, 2014 – Lynnfield – April 9, 2014

12. Executive Session

ACTION ITEM

Suggested Motion:

Move that the Board go into Executive Session to approve the Executive Session meeting minutes of May 29, 2013, to discuss mediation and union negotiations update, MMWEC Settlement and return to Regular Session for the sole purpose of adjournment.



13. Adjournment

ACTION ITEM

Suggested Motion:

Move to adjourn the Regular Session.



REGULAR SESSION MEETING
MINUTES
BOARD REFERENCE TAB A



Reading Municipal Light Board of Commissioners

Regular Session

**230 Ash Street
Reading, MA 01867
May 29, 2013**

Start Time of Regular Session: 7:31 p.m.

End Time of Regular Session: 9:56 p.m.

Commissioners:

John Stempeck, Chairman

Robert Soli, Commissioner

David Mancuso, Secretary

Philip B. Pacino, Vice Chair

David Talbot, Commissioner

Staff:

Kevin Sullivan, Interim General Manager

Jeanne Foti, Executive Assistant

Maureen Hanifan, Customer Services Manager

William Seldon, Senior Energy Analyst

Beth Ellen Antonio, Human Resources Manager

Bob Fournier, Accounting/Business Manager

Jane Parenteau, Energy Services Manager

Public:

Marsie West

Call Meeting to Order

Chairman Stempeck called the meeting to order.

Opening Remarks

Chairman Stempeck stated that Citizens' Advisory Board (CAB) Chairman Norton was called away unexpectedly and could not make the meeting this evening. There would be no CAB representation.

Presentation of Meter Lamp to Marsie West

Chairman Stempeck thanked Ms. West for her contribution as Commissioner and presented her with a meter lamp. Chairman Stempeck recalled Ms. West's role helping to resolve the difficult REC issues. Ms. West thanked everyone. She said that she enjoyed the opportunity to serve on the Board of Commissioners as well as working with the staff.

Public Comment

There were no members of the public present at the meeting.

Presentation (Attachment 1)

Customer Programs – Ms. Hanifan

Payments

Ms. Hanifan reported that the RMLD accepts many types of payments. We spend time educating customers on different payment methods. We walk them through payment processes such as making a payment on the RMLD web site and setting up RMLD as a payee at their bank.

Ms. Hanifan explained the benefits for RMLD's customers going paperless.

Ms. Hanifan stated that many of RMLD's customers enjoy the Budget Bill Program. Customers pay the same amount for eleven months of the year, then pay extra in December if they use more electricity or they receive a credit if they use less. Ms. Hanifan reported that we work with customers continuously, offering payment plans and educating them on conservation. We also inform them of programs and services available to them in the community from outside agencies.

Ms. Hanifan explained the process for rebate credits for customers who purchase Energy Star Compliant Appliances.

Ms. Hanifan explained that Customer Services coordinates and processes requests for home energy audits. Since September of 2012, the RMLD has been working with Next Step Living, an outside vendor specializing in whole home energy assessments. One of the benefits of this program for our customers who heat with natural gas are generous rebates and incentives towards weatherization services. This includes no-cost air sealing, as well as 75% off up to \$2,000 towards the installation of approved insulation improvements.

Regular Session Meeting Minutes
May 29, 2013

Presentation (Attachment 1)
Customer Programs – Ms. Hanifan
Payments

This is based upon the findings of the energy audit specialist. Our customers heating with oil and other sources are eligible for the same home energy assessments, which include health and safety checks, personalized recommendations as well as a report identifying energy saving opportunities. Our non-gas customers may be eligible for low interest loans through Next Step Living to procure the same services as offered to our natural gas customers.

Chairman Stempeck clarified that approximately 3,000 customers make up paperless invoices; what is the total population of residential invoices that are sent out. Ms. Hanifan replied that there are approximately 23,000 residential customers. Ms. Hanifan pointed out that there are 2,972 customers this involves 35,664 sheets of paper with two envelopes, one to send to them in the return, it is huge. Chairman Stempeck said that he personally uses the credit card charge which is a great program; it happens the day of and there is no worrying about it.

Mr. Soli said that he wanted to apply for the Residential Time-of-Use Program, based on the report. If you get on that plan; you are 75% off peak between the hours of 10:00 p.m. and 6:00 a.m. Ms. Hanifan stated that noon to 7:00 p.m. is on peak. Mr. Soli said that if noon to 7 p.m. is only 25% of your use, your effective rate goes down to 10.5 cents which is 1.5 cents lower than the residential rate, which is about a 15% discount. Ms. Hanifan stated that if you are willing to change your life style habits just a little bit it is cheaper for everyone all around.

Mr. Mancuso asked if we provide anything to the consumer to help them understand what they need to do in terms of changing habits to take full advantage of this program. Ms. Hanifan replied that there is always something in the RMLD's *In Brief*, it is on our website, and the Customer Services Specialists are trained to explain it. She is happy to explain the Time-of-Use rate to them and once they get the hang of it customers really like it. Ms. Hanifan stated that she does go out to speak to groups. The program is slow, but steadily gaining customers. The Energy Auditors from Next Step Living review this program with the customer.

Chairman Stempeck asked, does it make sense or have you tried this in the past, sending a note along with the invoice that says here is your invoice, but you could have paid this instead if you had; 1. used the credit card piece and captured the discount; 2. used Time-of-Use. Ms. Hanifan replied that it sounds good, but believes that it could be a bookkeeping nightmare having to recalculate all the bills to show them. We tell the customer right off the bat that they should probably save 20% with this rate.

Mr. Talbot asked, for those who do not have a time of use meter, do you know when they use the power? Ms. Hanifan replied that we do now because we have the Itron reader. Mr. Talbot asked that if you have the data it should not be that big of a deal. Ms. Hanifan replied that you would have to recalculate all the bills.

Chairman Stempeck said that maybe start with a pilot program with 100 customers. Mr. Talbot stated that in order to see what type of response you would get.

Mr. Talbot said that when putting the time of use meter in his own house that he wished that he had a heavy duty appliance timer that you could put on an outlet for his dehumidifier. Mr. Mancuso suggested that this could be some type of promo, a flyer with the bill that we would give the customer two heavy duty appliance timers if they sign up for the Time-of-Use Program. Make it appear as a special offer that they would have to act within the next 30 days. This follows the same line of reasoning that people respond when it is a coupon for something else. This is what we want the people to do any way is to put the timer on so they do not use the power at peak times.

Chairman Stempeck said that perhaps they could develop some of these ideas in one of the committees. He understands that going with a full program could be a nightmare that is why starting with a pilot program tests the response to see what programs work. Mr. Talbot suggested testing the ideas on 100 people, monitoring the response, and expanding on the one that works. Ms. Hanifan said that she would certainly look into that.

Mr. Sullivan stated that while Ms. Hanifan was mentioning the credit and collections, most people realize that the RMLD is a highly regulated business and that the utility business is a highly regulated business. We are regulated by NERC and OSHA. The RMLD is regulated by the DPU through the Credit and Collections Program through CMR 220 Section 25 the Code of Massachusetts Regulations. We want customers to understand that we work tightly with the DPU through that process.

Presentation (Attachment 1)

**Customer Programs – Ms. Hanifan
Home Energy Audit Program**

Chairman Stempeck said that we need to be careful in terms of the mechanisms that we put into place.

Although usually prefaced at the opening of the meeting Chairman Stempeck at this time reported that the meeting was being videotaped and was being broadcast live this evening.

Report of Board Committee

General Manager Search Committee – Chairman Stempeck

Chairman Stempeck stated that as he recalled a motion carried at the last meeting to appoint Coleen O'Brien to General Manager pending an acceptable contract and negotiations. His belief is that she has been notified, and asked if that was correct. Ms. Antonio replied, yes.

Chairman Stempeck said that the next step is to reformulate the General Manager Committee to the Contract Committee to develop an acceptable contract and asked if anyone else had anything to add.

Mr. Soli said that he and Commissioner Pacino worked on the last contract with Attorney Ellen Kearns who was associated with the law firm Constangy, Brooks & Smith, and after that Ms. Kearns was also a commissioner here.

Mr. Soli made a motion seconded by Mr. Pacino to hire Constangy, Brooks & Smith, LLP to assist in contract negotiations with the General Manager elect.

This motion was withdrawn.

Chairman Stempeck asked if we had already submitted it to a firm. Ms. Antonio replied yes, to Rubin and Rudman.

Chairman Stempeck asked if there was any reason that they could not do both. Mr. Soli replied his thought was that would be clumsy.

Chairman Stempeck stated that the idea was to have an attorney review the contract and he suggested to Ms. Antonio to engage and have one of the attorney firms to do it. He said that it could be undone.

Ms. Antonio said that she spoke with them yesterday and is expecting their responses tomorrow.

Mr. Soli withdrew the motion.

Chairman Stempeck made the suggestion that they review the response that comes in and if found to be acceptable fine, if found that it is in need of additional review then they could redo the motion.

Mr. Soli said that would be next month and asked if there was a group that would review that.

Chairman Stempeck stated that they would have to go to the next step in reconstituting the General Manager Search Committee to the Contract Committee and would like to do that by preference for that committee. He would like to have two individuals on the committee as well as himself who have been there before, specifically, Commissioner Soli and Commissioner Pacino. Chairman Stempeck would like to keep the committee to three persons and invited the other commissioners to sit in on the meeting as a citizen providing input. Mr. Talbot thanked the Chairman for entertaining his interest and thought it would be helpful to the committee that before they go into conversations specific with perspective to certain information that might save everyone a step or two in terms of initial thoughts.

Mr. Pacino made a motion seconded by Mr. Soli to appoint Commissioner Soli, Commissioner Pacino and Commissioner Stempeck to the General Manager Contract Negotiation Committee.

Motion carried 5:0:0.

Mr. Pacino asked if anyone had any thoughts that they get them to the committee in advance of the meeting.

Ms. Foti asked if they anticipated a meeting date for that group. Chairman Stempeck replied that the committee meeting will be scheduled for Monday, June 3, 2013, at 7:00 p.m. to review the contract and have discussions. Ms. Foti will post the meeting.

Report of Board Committee

Budget Committee – Commissioner Soli

Mr. Soli reported that the committee met and had some lively discussions. There were some clarifications in the budget about the carry over and there was talk about the Storm Hardening Study which reflects \$50,000 budget, but no expenses which is a good thing. Apparently the work was performed; all but complete for a final report which is his understanding will be forthcoming. Mr. Sullivan replied, yes. Mr. Soli said that the committee discussed the Operating Budget while discussion on the Capital Budget included a Master Site Plan for the work that is going to go on and possible photovoltaic generation. There was an increase from the previous draft of \$150,000 and this has been through the CAB and approved. Mr. Soli stated that the committee has two motions for the Board.

Fiscal Year 2014 - RMLD Operating and Capital Budget

Fiscal Year 2014 Operating Budget

Mr. Soli made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners approve the Fiscal Year 2014 Operating Budget with an Adjusted Net Income of \$2,592,900 this change is due to the Middleton overpayment, based on the recommendation of the RMLD Citizens' Advisory Board and RMLD Budget Committee.

Motion carried 5:0:0.

Mr. Talbot said that there was a lot of discussion on the RMLD campus even though all the capital projects are in the budget. We should have a plan before we put things to bid such as a new garage or certainly the PV, we need to know the numbers. The understanding among all of us is to perform the plan first and see what goes from there. A big piece of that is what we do as far as capital expenditures on the campus. It is a system where all is interrelated. What happens with Station 1, new storage is all related. With the new GM coming in it is probably best that we wait until we do that. Mr. Talbot asked if what he said made sense. Chairman Stempeck replied that was the underlying basis for the discussion in the first place, before you act try and understand. Mr. Talbot said that just because something is in the budget that you should be cautious before you go.

Mr. Mancuso said that there are conversations in the Town as to what happened in some of the surrounding properties relative to economic development. It is in the interest of the entire Town as we work through those plans. We would probably be well served to at least have some conversations and understand of what impact RMLD's campus will have on some of the other Town's economic development plans as well.

Mr. Talbot said that the place where the new storage is envisioned is actually prime real estate for the downtown. It might be worth a lot of money. There may even be a scenario where it makes sense to put storage somewhere else pending a study and that prime real estate gets put to a different use. Mr. Talbot stated that it does make sense getting the Town involved.

Chairman Stempeck said that in moving forward when the new General Manager is in place that should be part of the consideration.

Fiscal Year 2014 Capital Budget

Mr. Soli made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners approve Draft Two of the Fiscal Year 2014 Capital Budget in the amount of \$6,102,008 with it being understood that the increase of \$150,000 will include a master site plan and photovoltaic generation installation subject to viability based on the recommendation of the RMLD Citizens' Advisory Board and RMLD Budget Committee.

Motion carried 5:0:0.

Chairman Stempeck asked the Board if it was acceptable to all if he moved around on the Agenda. There were no objections.

RMLD Board of Commissioners Committee and Assignments

Note: This is on the Agenda to possibly include the Power & Rate Committee, General Manager Committee and Policy Committee assignments.

Policy Committee

Chairman Stempeck said that it was his belief that the question was the need for a Power & Rate Committee and also the re-establishment of a Policy Committee. Chairman Stempeck suggested that the Board set up a Policy Committee to both review existing policies and perhaps to modify and/or change policies as the committee sees fit. In terms of moving forward the suggestions are within the realm of the Board of Commissioners.

Mr. Talbot made a motion seconded by Mr. Soli to establish a Policy Committee.

Motion carried 5:0:0.

RMLD Board of Commissioners Committee and Assignments

Note: This is on the Agenda to possibly include the Power & Rate Committee, General Manager Committee and Policy Committee assignments.

Policy Committee

Mr. Mancuso asked if this would be a standing committee. His question was that these subcommittees very often are things that are applicable to the whole Board, so part of that discussion should be before the whole Board. Mr. Mancuso asked are these going to be always standing committees or could they be done on an ad hoc basis or whether they could either once or twice a year be handled through a workshop or some other means.

Chairman Stempeck asked that Mr. Soli or Mr. Pacino comment where in the past there was a Policy Committee. Chairman Stempeck said that approximately a year ago the Board eliminated many of these committees then established a number of them. He said that it appeared to him a need to modify certain policies or generation of new policies to support renewable energy and things like that.

Mr. Mancuso said that no doubt, from his personal opinion, this is a great time with a new General Manager coming in. It is the opportune moment to look at some policies that are probably in need of a bit of dusting and fluffing. Chairman Stempeck said that he is open to suggestions of the functionality of the committee.

Mr. Soli said that the Policy Committee would meet once or twice a year. It was a standing committee; if issues came up there was a group who could deal with that. Mr. Soli commented that on occasion there were issues that needed to be addressed, but very difficult to get drafted. The Renewable Energy Policy, we had several go rounds on that, finally a policy emerged thanks to staff who worked on it. Mr. Soli said that it is similar to the Budget Committee it only meets at a certain time of the year, but you can get down into the real nitty gritty of stuff. The whole Board may not be interested, but if the Board does get interested then they can go to the committee meetings. Mr. Soli stated that the Renewable Energy Policy involved a lot of work. Mr. Pacino corrected Mr. Soli and said that it was the Sustainability Energy Policy.

Mr. Mancuso said that he had a question for the Board and thought that Mr. Soli would have the answer. Since that is the main role of the Board as a whole, what was the argument for having made the motion, and asked what is the argument for having a subcommittee for policy when that is our whole purpose. Chairman Stempeck replied just efficiency, in other words it does not stop any of the other commissioners from suggesting to the committee that they consider these ideas. Also, to sit in on the committee as a citizen and make recommendations, but then with the actual wording and what not getting through is efficiency.

Mr. Talbot asked the Chairman that at one point he mentioned having some type of public Google Docs (kind of thing where there could be a public iteration on policies). There would be a public meeting, maybe a committee meeting, and also a living document where people can add to it where it is always public. It is just a way of having feedback from all quarters and coming up with a solid program for the future. If there is a role for something like that. Chairman Stempeck replied that he personally thinks that there is. In years past, it would have been difficult to do. With the advent of technology and everyone's use of technology that thinks something like that absolutely.

Mr. Talbot said that anyone can go to the Town's website and look at what people are working on, put edits or suggestions in, in some mediated form. Mr. Pacino stated that his concern was how one would control that. His major concern is that there are a lot of people out there who would destroy us or destroy government.

Chairman Stempeck said that the idea is to garner suggestions, like with an electronic suggestion box. It does not mean that you have to use any of it. This at least shows that we are open to the public suggestions. Chairman Stempeck stated that, as the Board will see with one of the items that they will discuss in a minute, a very valuable contribution came back and believes that this is something that could be hashed out in the Policy Committee whether to add a drop box type of function.

Mr. Mancuso stated that in the spirit of efficiency, the general concern with many subcommittees is that a five member Board is in line with what Commissioner Talbot had said.

Mr. Mancuso said that the issue is transparency, making sure all the information is available to end redundancy. His concern with subcommittees is that not necessarily the Policy Committee per se, but on those committees where it is budget oriented, or something where we are all responsible for not being redundant, not having to ask the same questions over because we were not in the meeting or could not attend the meeting. Mr. Mancuso said that there was probably a bunch of solutions, and one would be transcribing the meetings, but that is costly and time consuming and does not necessarily think that it yields what we are looking for in terms of efficiency.

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RMLD Board of Commissioners Committee and Assignments

Note: This is on the Agenda to possibly include the Power & Rate Committee, General Manager Committee and Policy Committee assignments.

Policy Committee

The Policy Committee is a standing committee either we can constitute ad hoc committees as we see fit if there is an issue to be dealt with he does not necessarily have an objection in having a Policy Committee. Mr. Mancuso said that in general he is a fan of less committees, more board action in a unified way. He thinks that he is probably rehashing some of the discussion of a year ago when the Board voted to eliminate some of those committees.

Chairman Stempeck stated then we brought them back.

Mr. Mancuso said that he is not sure of what the rationale was as he did sit in on the meeting, but does not recall what had changed. His thought is, as they think of adding committees, we should at least ask the question as to whether or not they need to be standing committees. If it was a budget issue for example we could have a workshop. If it were power and rate or something very complex, something beyond our general ability, where Ms. Parenteau would have to walk us through the process two or three times before we got it, maybe she would only have to do this once if we were all in a room or in a workshop rather than having to go through it two or three times. Mr. Mancuso said that this is just thrown on the table for conversation based on what you might want to do relative to this committee maybe there is another option.

Chairman Stempeck stated that he is open to consideration of any of the options and just the very fact that we are having this discussion would suggest that this is a bit thornier than he had anticipated.

Mr. Talbot said that whatever is easiest; we want to come up with great policies, have them be clear, have them done quickly and have them done for the new General Manager, whatever is the most efficient way to do that. Probably more upfront work needs to be done or perhaps three meetings in the next couple of months would be more valuable than a meeting in four months.

Chairman Stempeck said that he agrees with that and would like to recommend that both Messrs. Mancuso and Talbot be on that committee having good, strong, interesting opinions about how policies should be addressed. He would like to have one other member of the committee that has been there and done that before, Commissioner Soli or Commissioner Pacino one could volunteer.

Mr. Mancuso said that we could cross that bridge on another day. He wanted to ask the question on what the intent was for the time being.

Mr. Pacino stated that the only concern that he had, and one of the reasons that he spearheaded a little bit to eliminate the Power & Rate Committee and the Policy Committee, was that basically there was discussion, particularly on the Sustainability Policy that it went on. Mr. Pacino said that the REC issue and Power & Rate Committee went on, but did not get to the Board level. That was a big concern. Maybe that acerbated the whole situation on that and not getting to this level or having that discussion on this level. Mr. Pacino stated that he would be willing to serve on the Policy Committee since Mr. Soli is already Chairman of the Budget Committee.

Chairman Stempeck said that nothing has to be permanent; it can be eliminated if it has served its function.

Mr. Pacino made a motion seconded by Mr. Soli to appoint Mr. Pacino, Chair, Mr. Talbot and Mr. Mancuso as members of the Policy Committee.

Motion carried 5:0:0.

Chairman Stempeck asked Mr. Pacino to set up a date and time. If the new commissioners have ideas and suggestions for the Policy Committee that they should submit them to Commissioner Pacino.

Mr. Talbot said that there was a question from the public at one point where are our policies. Mr. Sullivan replied that they are on the website.

Mr. Pacino said that they should set aside a consistent day of the month for committee meetings. Mr. Mancuso stated that he was for all for scheduling meetings for advanced planning.

Chairman Stempeck stated that the next committee being considered is the Power & Rate Committee and asked if there was a motion or how the commissioners felt about this committees there was nothing formal here.

RMLD Board of Commissioners Committee and Assignments

Note: This is on the Agenda to possibly include the Power & Rate Committee, General Manager Committee and Policy Committee assignments.

Power & Rate Committee

Mr. Soli made a motion seconded by Mr. Pacino to establish a Power & Rate Committee.

This motion was withdrawn.

Mr. Pacino stated that he seconded the motion for the purposes of discussion. Mr. Pacino said that he was not sure that there was a need for a Power & Rate Committee. These issues should be discussed on the Board level. It is important with the power contracts and rate contracts that we all vote on that. It is his feeling that it should at least originate at the Board level. If there is need, go forward to appoint an ad hoc subcommittee to deal with any particular issue, to go study, and bring it back, instead of having a standing committee.

Mr. Talbot said that the argument for it would be if these matters are too complex then too much of a drill down, but found on the evening when they heard about the Wilmington Solar Projects we were able to get through it pretty quickly and it wasn't that big of a deal and tends to agree they we do not necessarily need it.

Mr. Soli asked who has looked at under "Tab C" requests for proposals for Wholesale Power Supply. Mr. Mancuso replied that he had. Mr. Soli asked if he understood it. Mr. Mancuso replied that he certainly had questions.

Chairman Stempeck said that Mr. Soli is referring to the fact that it is pretty complex and that we are going to see a presentation later. We were talking about just how complex it is to do this type of work.

Mr. Soli said that typically in the past, the Power & Rate Committee has met, the details are worked out. The rest of the Board can hear the questions that were raised, the clarifications that were made, and hopefully, trust the other Board members of the clarifications that were made. Some of this stuff can get pretty complicated.

Mr. Talbot said his response would be that Mr. Soli has the most expertise. Perhaps your experience can serve part of that role and could meet one on one with us and boil it down. The concern is having a number of committees already and it gets too complex.

Mr. Soli stated that for many years it has worked and that we should also, if we should have a cost of service study that makes this look like A, B, C's.

Mr. Mancuso said that hopefully this will be a commission that will serve long and many years together. This is what he personally signed up for complexity or not and thinks it is their obligation as a Board of Commissioners never try to be the expert that we have on staff. He does not think that the Board has the experience or capabilities, but said we have the obligation to make sure that as a Commission we have really done our best to understand the information. Trust is not the issue at all, but having a subcommittee as proxy do that would be in some way not fulfilling our obligation as Commissioner. Mr. Mancuso stated that he is not in favor of generally having this particular subcommittee.

Mr. Pacino said that the argument would be that it would start here. If it gets complicated enough, then we could always set up an ad hoc committee and should at least start here maybe with a presentation. If we need to drill down on this then an ad hoc committee could be formed to go forward.

Chairman Stempeck asked Mr. Soli if that would serve the purpose. Mr. Soli replied that we all know some of these things are pretty darn complicated such as the Cost of Service Study. If we decide this is too complicated, let's do an ad hoc committee then ask what the difference was between a workshop and an ad hoc committee to him it is only semantics. If we decide it is too complicated, just as we have been told the Cost of Service Study is, then wait another month. Chairman Stempeck said that you would see this as being in anticipation of something that is happening.

Mr. Sullivan said that to have the Board members understand that the strategic plan is a once a year occurrence. The Cost of Service is once every three years; there is not a great deal of frequency here in this type of detail.

Ms. Parenteau said that the only concern that she has is that timing is an issue on a lot of these things. You will see this in the proposal for the annual RFP. The date that the proposal was written on May 9, the indicative pricing came in around \$48 a megawatt or approximately a little under \$22 million.

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RMLD Board of Commissioners Committee and Assignments

Note: This is on the Agenda to possibly include the Power & Rate Committee, General Manager Committee and Policy Committee assignments.

Power & Rate Committee

In looking at the indicative pricing twenty days later, the pricing has gone up about \$900,000 over the course of the four year period, so the price could go down or up as it is a fluent market. The timing of everything is very critical it is only a word of caution. She has no problem reporting to the whole committee. It would be helpful to set up that bi-monthly committee date so that the timing of this can be addressed.

Ms. Parenteau stated that whether it is the full committee or an ad hoc committee it is imperative that we can meet more than once a month because timing can really influence pricing and the actual transaction.

Mr. Soli asked Ms. Parenteau to explain to the new Board members how getting a new power contract works.

Ms. Parenteau replied that it has changed over the course of the time that she has been here in excess of twenty years. Historically, we could get the committee's approval then spend months negotiating the contract and have the pricing hold. The market has evolved to a point now, where suppliers will hold pricing for a period of one hour. It is imperative that we negotiate contracts in advance and then get bidding on a particular day, analyze them and have suppliers refresh their bidding within that sixty minute period, then select a supplier and sign a contract. The RMLD has developed a process where we present it to the Board in advance and give the overall parameters in order that the Board understands what we are doing. This enables us to sign the contract due to the market conditions.

Chairman Stempeck asked if there was a way besides a committee where we appoint a liaison, perhaps Commissioner Soli to the Department that is not a committee is there an opportunity.

Mr. Talbot said that like a rapid response team. Mr. Talbot asked in these scenarios where you need a quick answer don't you need full Board action to go ahead or can a three-some authorize something.

Ms. Parenteau replied that it becomes a policy decision for the Board. She believes per Massachusetts General Law, that the General Manager has the authority to enter into contracts. Historically in the past, previous general managers have brought all the contracts to the Board for review and authorization prior to implementing them. She asked what the policy of the new Board is, do you want to see all the contracts and have approval, then we would have to look at the Twenty Year Agreement to see how that impacts those long term contracts.

Mr. Talbot said that having a committee doesn't enable you to suddenly be able to grab a good deal.

Ms. Parenteau said that when we develop a strategic plan if the Board is in favor of the plan you authorize the General Manager to make that determination. It is strictly up to you on how you would like to proceed on that parameter. That would have to be taken up with the next General Manager and the Board.

Mr. Pacino said maybe it is kicking the can down the road, but we need to wait until there is a General Manager in place.

Mr. Mancuso said that Ms. Parenteau is correct in saying under Massachusetts General Laws, Chapter 164, clearly the purchasing process is within the purview of the General Manager. It is our job to set the broader guidelines and policies to establish what kinds of contracts we want to enter and why. Whether they are sustainable energy contracts or whether certain types of contracts have certain purchasing parameters within them. We, as the Board can set the policy and it is then up to the General Manager to execute against that not slow down the process of buying in the optimal moment in the market place which is extremely volatile. Mr. Mancuso said that one more reason in his perspective why the general presentation of what we are trying to accomplish with our rates is something that should go before the whole Board once that policy is set. It is up to the General Manager and our esteemed staff to make the final calls on what we are purchasing and what we are not, subject, obviously to our review on a regular basis to make sure that it is matching what we have set as a policy.

Mr. Sullivan said that when we look at the suggested motion this evening, this offers staff the ability to move forward if this is approved. Ms. Parenteau can then take her group and move forward on whatever the deal is that she and Mr. Seldon decide is the best for the RMLD and its customers. Based upon this suggested motion tonight, this gives Energy Services all that they need to move forward.

RMLD Board of Commissioners Committee and Assignments

Note: This is on the Agenda to possibly include the Power & Rate Committee, General Manager Committee and Policy Committee assignments.

Power & Rate Committee

Chairman Stempeck stated that while they were still wrestling with this idea of the Power & Rate Committee. It would be preferable to table the Power & Rate Committee until there is a new General Manager to see whether it adds value to that new General Manager's functionality. If it does in terms of what we can accomplish with it and whatever that General Manager would want us to do with it. Chairman Stempeck suggested that then we would set it up, engage and do it.

Mr. Pacino withdrew the second of the main motion and moved to table it. Mr. Soli asked if it was date specific. Chairman Stempeck said that they would table this until the very first meeting after the General Manager is appointed.

Mr. Soli asked if that was the motion. Mr. Pacino replied yes, that was his motion. Chairman Stempeck asked for a show of hands. Mr. Soli asked if there was a second. Mr. Mancuso seconded the motion.

Mr. Pacino made a motion seconded by Mr. Mancuso that the Board defer vote on the Power & Rate Committee until the first meeting after the General Manager is appointed.

Motion carried 4:1:0. Mr. Soli voted against this motion.

Report of the Chairman (Attachment 2)

Code of Conduct RMLD Board of Commissioners Meetings

Mr. Pacino made a motion seconded Mr. Talbot to approve the Code of Conduct.

Motion carried 5:0:0.

Chairman Stempeck said that there was a motion for a Code of Conduct to be established and potentially read at the each of the meetings prior to public input. This is the one that was circulated and was word-smithed by Frederick Van Magness. He personally thinks that he did a very good job in terms of revising it. Chairman Stempeck stated that he had submitted this as a possible Code of Conduct because the town has a Code of Conduct, but theirs is much more involved. He felt that it was necessary to set the tone of anyone who is going to be addressing the Board. This is with the recognition of the fact that we have a volunteer group, who spend a lot of time and effort. There needs to be respect of the Board. That was the purpose and would like to open it up for either a motion to adopt the Code of Conduct or discussion.

Mr. Pacino read the draft Code of Conduct. Mr. Pacino moved to adopt that motion.

Mr. Mancuso seconded the motion. Mr. Mancuso said that when he was first appointed, he was given a copy of Roberts Rules. There was a wonderful quote at the beginning and basically says that Roberts Rules defines and documents the rules governing deliberative meetings and is an excellent model for productive, respectful, and polite meetings regardless of the organization. Mr. Mancuso stated that having a Code of Conduct is great and our adherence to Roberts Rules will although maybe a little bit of a foreign language for some of the folks of the public that their obligation is to come in and offer their opinion and our obligation is to help them work through the meeting as best we can. Mr. Mancuso said that he is all for having a Code of Conduct that ensures that we run the likes of the last meetings in both directions and would just encourage us to really utilize and help folks try and understand how we utilize Roberts Rules to make sure that everybody has their say in that respectful sort of way.

Chairman Stempeck stated that he appreciated the comment. We do not have to follow Roberts Rules of Order and thinks that Roberts is great methodology of ways to conduct meetings and is something that a number of towns have adopted. We have not adopted it but try to adhere to most of the elements that are involved in it and thinks at times it goes both ways in terms of those who know Roberts Rules of Order can quite honestly become a nuisance and those who necessarily have not adopted it gives you certain flexibility that you are allowed to do and is more for the latter than the former.

Mr. Mancuso said that he is inclined to agree and that they can be abused as well as used and that they do offer unattested ways for us to make sure that we are managing a productive conversation as we all get familiar with them that they will be a great tool that will help us not even go through the process of reiterating the public limitations on their ability to express themselves.

General Manager's Report – Mr. Sullivan – Interim General Manager Reading Friends and Family Day

Mr. Sullivan reported that either June 15 or June 8 is Friends and Family Day and the RMLD will have a table present at that event.

Regular Session Meeting Minutes
May 29, 2013

**General Manager's Report – Mr. Sullivan – Interim General Manager
2013 Northeast Public Power Association (NEPPA) Annual Conference**

Note: This will take place August 25 -28 Stowe Mountain Lodge, Stowe, Vermont

Mr. Sullivan said that the 2013 NEPPA Annual Conference will take place on August 25-28 at the Stowe Mountain Lodge, Stowe, Vermont. Typically commissioners have gone to this in the past and urge the commission's attendance.

Chairman Stempeck asked how many commissioners have attended in the past and if there was a limit. Mr. Sullivan replied that he did not think that there was a limit and seems to remember three as a max at one time with the General Manager.

Mr. Pacino said that some of the CAB members have also attended. Mr. Sullivan said that the CAB voted to not have more than two attend.

Ms. Foti suggested since the hotel rooms book quickly, even if you are not sure that you are attending it is better to sign up and then cancel your room. Mr. Pacino added that if you sign up late you will probably not be able to stay at the convention center.

Ms. Foti stated that she had checked with NEPPA, they will not have the agenda for the conference until the end of this week, Friday or early next week.

Mr. Pacino said that one of the opportunities that you have is that you have a chance to meet other commissioners, general managers and some other systems. It provides the opportunity to speak with them on a one on one basis where you learn as much having lunch with somebody as you do actually sitting in on one of the sessions.

Mr. Soli said that you can find out how other systems handle some things that we may regard as a naughty problem but is simple to them.

Mr. Mancuso said that it was his understanding that this conference is more munis focused, public power focused.

Chairman Stempeck asked Ms. Foti to keep a tentative list of those who might go.

Mr. Pacino stated that he would be attending.

Chairman Stempeck said that his attendance is tentative at this time pending his schedule.

Ms. Foti stated that once the agenda comes out you can cherry pick topics; you do not have to go for the full duration.

Mr. Sullivan said that over the past couple of meetings that there has been chatter regarding purchases with other municipalities. The Town Manager, Peter Hechenbleikner has sent him something that indicated that there was a purchasing seminar in Chelmsford today. The RMLD Materials Manager did attend to see if there was any synergy that could come out of a multi purchase.

Power Supply Report – March and April 2013 – Ms. Parenteau (Attachment 3)

Ms. Parenteau asked if there was a preference to her reporting for April 2013 and answering any questions for March.

Mr. Soli asked that in the March 2013 report that the Coop Resales there are negative numbers there. Ms. Parenteau replied that is part of the refund from Middleton and it is credited against that account.

Ms. Parenteau reported that the RMLD's load for April was approximately 52.5 million kWhs which is a 0.4% increase from April 2012. RMLD's energy cost came in at approximately \$2.2 million and that is equivalent to approximately \$.042 per kilowatt hour. Ms. Parenteau stated that the Fuel Charge adjustment was set at \$.05 per kilowatt hour for the month of April and the RMLD sales totaled 54 million kilowatt hours, as a result the RMLD over collected by approximately \$367,000 resulting in a Deferred Fuel Cash Reserve balance of \$2.8 million. The May Fuel Charge adjustment was decreased to \$.045 and it is currently projected to remain at \$.045 for the month of June.

Ms. Parenteau reported that capacity energy cost as well as energy generated in kilowatt hours for the month of April RMLD's capacity and energy costs came in at just under \$.07 or \$.68 per kilowatt hour. In addition, for the month of April, 11.3% of our energy purchases was generated from hydro generation. The RMLD has signed Purchase & Sale Agreements for quarters three and four of 2012 and through April 2013 where the RMLD projects approximately 9,300 RECs with a market value of \$478,000.

Power Supply Report – March and April 2013 – Ms. Parenteau (Attachment 3)

The 2012 RECs expire June 15 of this year, Mr. Seldon spoke with several brokers and transacted today the sale of 3,700 RECs which is the balance of the quarter's three and four 2012 RECs the net revenue of the sale was \$192,000.

Ms. Parenteau reported that the RMLD's total transmission cost for the month of April were \$716,000 which is approximately an 18% decrease from March 2013.

The RMLD processed three commercial lighting rebates totaling \$7,300 bringing the fiscal year total to \$383,000. The RMLD calculates the capacity savings to be approximately 1.2 megawatts and the energy savings to be approximately 3,500 megawatt hours. The residential side the RMLD calculates 143 kilowatts of capacity savings and 99 megawatt hours of energy savings. To date the RMLD has processed 964 residential rebates totaling \$48,620 and 207 RMLD customers have received audits totaling \$41,400.

Mr. Mancuso said that one of the General Manager candidates mentioned something about some difficulties at Stony brook Band asked if it was offline. Ms. Parenteau replied that it was offline for scheduled maintenance for one of the turbines and that all three are back in service.

Strategic Power Supply Plan – Annual Power Supply Request for Proposals

Mr. Mancuso made a motion seconded by Mr. Pacino that the RMLD Board of Commissioners authorize the Interim General Manager to execute one or more Power Supply Agreements in accordance with RMLD's Strategic Power Supply Plan for power supply purchases for a period not to exceed 2014 through 2017 and in amounts not to exceed 22 megawatts in 2014, 21 megawatts in 2015, 21 megawatts in 2016, and 21 megawatts in 2017, as presented by the Interim General Manager and Staff, based on the recommendation of the RMLD Citizens' Advisory Board (CAB).

Motion carried 5:0:0.

Ms. Parenteau reported that this was presented to the CAB. Over the last seven years, Energy Services has worked on a laddering and layering approach in regards to RMLD's power supply and energy requirements. This approach has allowed the flexibility to look at long term contracts, look at energy efficiency, react to the customer base whether there are increases or decreases due to the economy, weather, etc. It has proven to be beneficial for us. The laddering and layering approach looks at each month and looks at our on peak and off peak period which is significantly different on the wholesale side than it is with the time of use rate. In the wholesale market, the on peak is considered eight o'clock in the morning to eleven o'clock at night which is a sixteen hour period, off peak is 11 p.m. to 7 a.m. and all day Saturday and Sunday. The way this annual RFP is structured is that we look at a monthly basis at our entire portfolio for long term generation, look at projections in the spot market, we do not want to lock up everything that we need for example over the past several years gas has hit an all-time low and we have been able to capture that savings by buying on the spot market. In addition there are some volatile times of the year those being winter, now that New England is really highly dependent on natural gas we are actually working with other market participants in trying to address a winter capacity situation where there is not enough gas transportation to get gas into New England and generators are subject to very high costs in the January to February time frame due to the fact that residential customers take preference over power plant generation. We have structured this so that we look on a monthly basis, time of day and depending on the time of year we want more or less of the spot market. We have analyzed our portfolio looked at what our requirements are and have come up with this contract timeline where we have taken the approach to go out four years and take twenty-five percent so every year we are capturing the benefit of what the prices are as well as the time value. Ms. Parenteau stated that going out to 2014 we have already secured in essence 75% of our requirement and looking to capture that last 25% in this RFP. In contrast to that in 2017 we have a portfolio for long term generation, but we have not made any short term energy purchases so this will be the first year that we are looking into the 2017 period. This allows us to look at renewable generation and incorporate that into two hydro projects and one wind project as well as incorporating into on system solar projects and efficiencies. It has proven to be very beneficial to the light department and as enabled us to manage our costs and maintain effectively solid rates and do not have a lot of volatility for our customer base.

Mr. Mancuso asked when you say the ladder and layer approach are you buying blocks. Ms. Parenteau replied, yes.

Mr. Mancuso said that then the ideal would be that we could actually purchase right out of that bell curve of demand and asked if there are any products, services, resources, that can help us eliminate the corner of that block above the curve where there is some waste in that upper left hand corner. Ms. Parenteau replied that there are and that you pay a premium for those. There are load following products that we can buy where suppliers will take off that top block, but there is a premium associated with that, we have looked at that and are always looking at that.

Strategic Power Supply Plan – Annual Power Supply Request for Proposals

Ms. Parenteau said that we had someone from NextEra come in about a month ago to give an overview presentation. It is a possibility but what happens is depending on if you have a hot summer or a mild summer that premium is just the insurance that you are paying for.

Ms. Parenteau said that it is what we try to do with our entire portfolio. We have units, generation entitlements that are price dependent so those units do not get turned on until the price goes above that. We capture a lot of that having those resources in the portfolio so for us taking the portfolio approach depending on the premium that may or may not be helpful to us.

Chairman Stempeck asked Ms. Parenteau how would you benchmark with your methodology that you have developed over years obviously the proof is in the pudding with our rates being very low and it works very well, if you were to benchmark it against other municipal systems even outside of Massachusetts.

Ms. Parenteau replied that we have never attempted to do that. What we do is look at our rates on a monthly basis and compare them to the contiguous utilities within our demographics as well as we have some access to all municipals in Massachusetts as well as the IOU's within the state. We look at that and rank really low in terms of our overall rate classes. Ms. Parenteau said that she does not believe that we have looked out of state because there are huge swings in terms of what's the defining fuel generator, in New England it is natural gas, in the Midwest it might be coal, natural gas and coal currently have comparable pricing but that hasn't been the same in the past. If you were located in the northwest they have hydro power and we just don't have that resource here. It is like comparing apples to oranges it is kind of a sanity check in terms of the strategy that we are using.

Mr. Talbot said that over the long term wouldn't it be nice to have a little red button to hit to switch off five megawatts that people have allowed us to do and is there a way to put a value to that as we set policy we can understand, a) what is feasible to do, and b) what is it actually worth to be able to hit that button when the prices are extremely high so that we can act and have sensible policies.

Ms. Parenteau replied that going forward on the wholesale side we are located in the northeast Massachusetts area it is called Northeastern Massachusetts/Boston (NEMA) in the ISO New England's geographic area in the 2017-2018 period NEMA is deficient in capacity so we are stuck here and because we are here we are subject to those prices. That option cleared at \$14.99 per kilowatt month the current cost is three dollars so we can definitely quantify that five megawatt reduction and when you get closer to that time period it has a huge impact on our overall rate structure so that would be a fantastic policy for the Board to entertain.

Mr. Talbot said then the question is if it is achievable and at what cost. Ms. Parenteau said that there are always ways to do it you can take the portfolio approach to that as well. In addition to the capacity costs transmission costs has grown exponentially there has been billions of dollars invested in infrastructure within the New England area and that gets charged based on peak demand. If we are able to control that peak demand then it has definite cost savings to us as a utility and to our rate structure so there are definitely ways to incorporate policy and actions.

Mr. Talbot said that he has been appointed to serve with two of his esteemed colleagues to help set policy being ignorant doesn't help a lot it would be good to have some guidance on what it is actually worth and what is achievable so a little feedback of information as to what the policy could be. Then it can be given to the General Manager and say that we have some guidance that this is the value of this amount of demand side and maybe distributive generation or storage that may seem exorbitantly costly to buy a tractor trailer sized lithium battery and stick it in the parking lot. It may be some crazy amount to buy it but to put some number to the value or what is it worth on July 3 when it is 115 degrees just to be able to tap that source. Ms. Parenteau stated that she would be happy to work with the General Manager and the Board and help assist with that.

Mr. Talbot said that these are things we can do locally while we are not all dependent on the tight gas supply, we are not dependent on the transmission or some regional blackout we are on our own turf. Ms. Parenteau said that we can't get away from that, but we can actually control it.

Mr. Talbot said that something Mr. Soli has talked a lot about which is the disaster of preparedness and if we were ready to power our own site for a week in some horrible scenario. It would be good to have some expertise.

Mr. Soli said that for your information that one of the General Manager candidates stated that in the days when they are very close to the limit on their transformers they do reverse 911 and when we asked what the affect was, they cut down the limit from one to two percent that is a simple thing if it works.

Strategic Power Supply Plan – Annual Power Supply Request for Proposals

Ms. Parenteau said that education is really incredible if people can understand the financial ramifications of that especially here we are locally owned, have a customer base and we could expand on that and there could be some great value there.

Mr. Talbot asked what about doing a reverse 911 not too often, but does that seem like a cry for help to do that here in Reading. Mr. Sullivan replied that it already gets done through the tv stations locally, everyone turns their tv's on or listens to WBZ we hear every summer please conserve.

Mr. Talbot pointed out that it is different when you get a phone call or a mass email like from the Superintendent all the time, if you're a parent you get these emails "there's been a lockdown at the school", you get these emails, text messages and phone calls all at once then you don't fail to notice it whereas on the tv or the radio it could just fall to the background. A reverse call from the General Manager has a different character to it and wonders whether this is something that could be considered.

Mr. Mancuso said that he expects that they would be encouraging the new General Manager to look at something that has a similar approach.

Engineering and Operations Report – April 2013 – Mr. Sullivan (Attachment 4)

Mr. Sullivan presented the report included in the Commissioner packets covering the monthly capital projects, an update on the metering project and reliability reporting.

Mr. Sullivan reported on the Reliability Report and the Customer Average Interruption Duration Index (CAIDI) the monthly average in on par with the March CAIDI value and the RMLD four year average outage duration. Mr. Sullivan said that the System Average Interruption Frequency Index (SAIFI) values are nearly identical to March and well below the RMLD four year average. The Months Between Interruptions (MBTI) the average RMLD customer experiences an outage approximately every 40 months as of this month.

The Department has completed the Residential Meter Upgrade Project and is performing mitigation adjustments on the Fixed Network Project which is approximately 98-99% complete. The Department continues to perform Commercial Meter upgrades throughout the service territory in this month and that will continue on into the month of June we will then skip the summer period and pick it back up in September.

Financial Report – March and April 2013 – Mr. Fournier (Attachment 5)

Mr. Fournier reported on the March 2013 financials which represents the first nine months of this fiscal year. For the month of March 2013 the positive change in Net Assets or Net Income was approximately \$233,000 increasing the year to date Net Income to \$2,669,000 for the year; year to date budgeted Net Income was approximately \$2.1 million with the resulting Net Income being over budget by \$565,000 or about 27%. Year to date kilowatt hour sales were 538,000,000 kilowatt hours sold which is 14.5 million kilowatt hours or 2.8% ahead of last year's actual figure.

Mr. Soli asked on the accounts receivable the current of 90 days, how is that doing these days.

Mr. Fournier replied that the Credit and Collections Department is doing an outstanding job especially in these economic times. We really work hard with our customers so they do not get too far behind and we set up payment plans. Mr. Fournier said that looking at this aging of receivables one would have to be ecstatic, we still do shut offs but less because people are paying and it is just through the diligent effort of the Credit and Collections that this aging looks as good as it does.

Mr. Soli said that under Professional Services by Vendor we have CMEEC for \$7,000 believing that is a monthly charge and asked what service they provide. Mr. Seldon replied that they maintain and update the software that the department uses and that we are co-owners with CMEEC on this software that allows us to access all the ISO data.

Chairman Stempeck asked if we have a signed contract. Mr. Seldon replied yes and that it is a quarterly bill. Mr. Soli said that his Visa bill is always straight forward and asked if the ISO bill was not as straight forward as his Visa bill. Mr. Seldon replied that it is slightly more involved.

Mr. Soli asked why we don't ask the ISO for a meaningful bill. Ms. Parenteau replied that it is all the data that we get, all the unit entitlement information, load data, billing data and everything that we utilize to project our forward pricing curves. It is the whole database that we utilize that we invested two general managers ago in terms of co-owners of this. They have software engineers that every time ISO makes a change in a new market they issue reports and have to develop the software to put it into a format that is useful. Mr. Soli said so that it is more complex than my Visa bill. Ms. Parenteau replied yes and said that this is extremely valuable to the Energy Services Department.

Financial Report – March and April 2013 – Mr. Fournier (Attachment 5)

Mr. Fournier reported that for the month of April 2013 the positive change in Net Assets or Net Income was approximately \$305,000 increasing the year to date Net Income to \$2,975,000 for the year; revenues and expenses are under budget, cash is still in a strong position. For the first ten months we are 15.3 million kilowatt hours ahead of last year's number. Mr. Fournier said that he had just run some quick numbers for the month of May and that we are ahead of last May by about 800,000 kilowatt hours which does not count the next two hot days that are going to be coming up. May should be a real strong month in the terms of sales. Mr. Fournier stated that going into the last month of this fiscal year based on what we have done in the first ten months we are having a really strong year.

Chairman Stempeck asked if this was being driven by residential or commercial sales. Mr. Fournier replied that looking at the budgeted sales we are one half million kilowatt hour sales beyond our residential section and believes that the commercial side has picked up a lot as well which is a good sign.

**M.G.L. Chapter 30B Bid (Attachment 6)
IFB 2013-34 Sicame Connectors**

Mr. Mancuso made a motion seconded by Mr. Soli that bid 2013-34 for Sicame Connectors be awarded to Graybar for a total cost of \$52,860.00 as the lowest qualified bidder on the recommendation of the Interim General Manager.

Motion carried 5:0:0.

Mr. Pacino asked since both motions were the same is there a differentiation between the two. Chairman Stempeck replied that one was for Graybar the other for Wesco. Mr. Sullivan stated that there is a dollar difference.

Mr. Sullivan said that this was a split bid all based around cost for this type of connector, which is an insulation piercing connector used on our secondary conductors.

Mr. Mancuso asked that presumably there is a manufacturer who makes these connectors why are we buying through some other business and not directly from the manufacturer. Mr. Sullivan replied that many times manufacturers offer their equipment direct and many times they do not and in a case like this they offer their equipment through these suppliers.

Mr. Mancuso made a motion seconded by Mr. Soli that bid 2013-34 for Sicame Connectors be awarded to WESCO for a total cost of \$17,610.00 as the lowest qualified bidder on the recommendation of the Interim General Manager.

Motion carried 5:0:0.

General Discussion

Melanson & Heath - Update

Mr. Sullivan reported that approximately three to four weeks ago that he, Mr. Fournier, Ms. Parenteau and Mr. Seldon met with Melanson Heath's division that was going to come in and perform their independent audit for the RMLD, when they heard what we had to say and we laid the scope out for them. They had gone back to their office and decided that there might be a conflict of interest for the firm that does their own audit with the RMLD on the broader picture. Mr. Sullivan stated that since that time Rubin and Rudman had been contacted for which they have offered the services of a different firm which we are currently investigating and that this firm has done work for other co-ops in New England.

Chairman Stempeck asked if this was relative to the work flow and not to the Middleton issue. Mr. Sullivan replied, yes.

Mr. Fournier said he had met with Ms. Parenteau and Mr. Seldon and had contacted the firm. Mr. Fournier will try to get the information to the firm by the end of next week and once we engage them is hopeful this will be performed rather quickly and more than likely before our audit starts in August 2013.

Mr. Fournier said although it does not have to be done by that time and unless they come across anything strange it will probably be done by sometime in July 2013. This firm will be providing a recommendation, not an independent audit. They will be looking at our purchasing processes and making suggestions or recommendations. Mr. Fournier is hopeful that this will be done sometime during the summer pretty close to the time our auditors come out to do their field work in August; if not, it is not critical per our auditors as long as we show that we are addressing the situation.

Chairman Stempeck asked if they were supplying the RMLD with a proposal and what the cost is that they charge for proposing that type of work. Mr. Fournier replied that he tried to reach the gentleman at the firm but he was out of town and said that we would be doing our due diligence. Chairman Stempeck said that we should be aware of what the cost is to see if it is work flow analysis or audit analysis. Mr. Sullivan said so noted.

General Discussion

Melanson & Heath - Update

Mr. Pacino said that no one seems to be disclosing the name and that there must be a reason for that. Mr. Fournier stated that it was Berry, Dunn, McNeil & Parker. Mr. Fournier stated that he did not mention them by name since the RMLD has not engaged their services at this time and did not throw the name out there if it were not to come to fruition. Mr. Pacino said that Berry, Dunn, McNeil & Parker is a large firm out of Portland, Maine, with regional offices all over the New England area. They are not one of the top four but the next level down. The second tier in terms of audits.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, May 2013

Mr. Soli commented that we almost had a clean sweep under the commercials there were two prices that were lower than the RMLD's pricing and in every other case the RMLD's was the lowest price.

Mr. Mancuso said that it was his presumption that this is set up to include both the high and low end cost in the marketplace so that we have some comparative scale for the low and highest rates in the market.

Mr. Sullivan asked if he was talking about the rate comparison sheet. Mr. Mancuso replied, yes. Mr. Sullivan said that the rate comparison sheet only indicates per the categories contiguous utilities.

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Wednesday, June 26, 2013 and Wednesday, July 31, 2013

Citizens' Advisory Board Meeting

June 2013 – No meeting scheduled

July 17, 2013, 6:30 pm –Tentative

Fiscal Year 2015 Budget Meetings

April 2, 2014 - Lynnfield

April 9, 2014

Executive Session

At 9:20 pm. Mr. Pacino made a motion seconded by Mr. Mancuso that the Board go into Executive Session to approve the Executive Session meeting minutes of March 27, 2013, to discuss strategy with respect to collective bargaining, arbitrations updates, Chapter 164 Section 47D Exemption from public records and open meeting requirements in certain instances, and return to Regular Session for the sole purpose of adjournment.

Chairman Stempeck polled the Board. Motion carried by a polling of the Board:

Mr. Pacino; Aye; Mr. Soli, Aye; Chairman Stempeck, Aye; Mr. Mancuso; Aye, and Mr. Talbot; Aye.

Motion carried 5:0:0.

Adjournment

At 9:56 p.m. Mr. Soli made a motion by Move to adjourn the Regular Session.

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

David Mancuso, Secretary
RMLD Board of Commissioners



Reading Municipal Light Board of Commissioners
Regular Session
230 Ash Street
Reading, MA 01867
June 26, 2013

Start Time of Regular Session: 7:31 p.m.

End Time of Regular Session: 8:21 p.m.

Commissioners:

John Stempeck, Chairman - Absent	Philip B. Pacino, Vice Chair
Robert Soli, Commissioner	David Talbot, Commissioner
David Mancuso, Commissioner	

Staff:

Kevin Sullivan, Interim General Manager	Beth Ellen Antonio, Human Resources Manager
Jeanne Foti, Executive Assistant	Robert Fournier Accounting/Business Manager
William Seldon, Senior Energy Analyst	

Citizens' Advisory Board:

John Norton, Chairman

Call Meeting to Order

Vice Chair Pacino called the meeting to order and stated that the meeting was being videotaped, it is live in Reading only. Chairman Stempeck was not present at the meeting due to a business trip.

Opening Remarks

Vice Chair Pacino read the RMLD Board of Commissioners Code of Conduct. The RMLD Board of Commissioners recognizes the importance of hearing public comment, at the discretion of the Chair, on items on the official agenda as well as on item(s) not on the official agenda. We ask that all questions or comments from the public be directed to the Chair and that all parties, including members of the RMLD Board, act in a professional and courteous manner when addressing the Board or responding to comments. Once recognized by the Chair, all persons addressing the Board shall state their name and address prior to speaking. It is the role of the Chair to maintain order in all public comment or ensuing discussion.

Introductions

Vice Chair Pacino asked Citizens' Advisory Board, Chairman, John Norton if he had any comment. Chairman Norton stated that he wanted to make a general comment as we are closing out this fiscal year. He would like to compliment the employees of the RMLD for their continued excellent service to the ratepayers of the four communities served by the RMLD. As always, they do an excellent job. In particular, they do an outstanding job with outages. Yesterday, in North Reading, at 4:00 p.m. the power was lost at Saint Theresa's church where voting for four precincts for the elections was being held. Mr. Norton put in an emergency call to Mr. Sullivan and power was restored within fifteen minutes. In general, Mr. Norton would like to compliment the professional staff at the RMLD. They do an excellent job which is a credit to whole Department. On behalf of the ratepayers of North Reading, he wanted to thank the Department.

Public Comment

There were no members of the public present at the meeting.

Approval of Board Minutes

April 10, 2013 – Reorganization

Mr. Soli made a motion seconded by Mr. Talbot that the RMLD Board of Commissioners approve the Regular Session meeting minutes of April 10, 2013.

Motion carried 3:0:1. Mr. Mancuso abstained; he was not present at the meeting.

April 10, 2013 – Joint Meeting with CAB

Mr. Soli made a motion seconded by Mr. Mr. Talbot that the RMLD Board of Commissioners approve the Regular Session meeting minutes of April 10, 2013 with the changes presented by Mr. Soli.

Motion carried 3:0:1. Mr. Mancuso abstained; he was not present at the meeting.

Approval of Board Minutes

April 24, 2013

Mr. Soli made a motion seconded by Mr. Talbot that the RMLD Board of Commissioners approve the Regular Session meeting minutes of April 24, 2013 with the changes presented by Mr. Soli.

Motion carried 3:0:1. Mr. Mancuso abstained; he was not present at the meeting.

May 22, 2013

Mr. Soli made a motion seconded by Mr. Talbot that the RMLD Board of Commissioners approve the Regular Session meeting minutes of May 22, 2013.

Motion carried 4:0:0.

Mr. Talbot complimented the Department on the accuracy of the minutes. Ms. Foti thanked Mr. Talbot adding that Ms. Rybak transcribed the meeting minutes of May 22.

Report of Board Committee

Audit Committee

Mr. Soli explained that approximately two times annually a member of the Audit Committee, and the RMLD Business/Accounting Manager meet with the Town Accountant. Mr. Soli reported that the Town Accountant spoke about drawing up the irrevocable trust for the Other Post Employment Benefits (OPEB). They expect to have the OPEB document by June 30, 2013. Mr. Soli pointed out that the Town of Reading as well as the Town of Lexington have found out that there is a procurement card for businesses that works in a similar fashion as a credit card. The Town is trying to move forward with this and is trying to do something for the RMLD. Mr. Soli said that this is problematic when IT staff is trying to procure computer software because vendors will not take purchase orders.

General Manager Contract Negotiation Committee – Chairman Stempeck

In the absence of Chairman Stempeck, Vice Chair Pacino reported that the contract has been completed with other members of the committee being Chairman Stempeck and Mr. Soli. Vice Chair Pacino stated that Ms. O'Brien has signed the contract which is ready for the Commission's signature. Vice Chair Pacino stated that Ms. O'Brien's start date will be July 15, 2013.

Mr. Mancuso made a motion seconded by Mr. Soli that the RMLD Board of Commissioners approve the General Manager's Contract as presented based on the recommendation of the General Manager Contract Negotiation Committee.

Motion carried 4:0:0.

Mr. Sullivan added that RMLD management, he, Ms. Antonio, and Ms. Foti are putting an itinerary together for Coleen O'Brien to ensure her success and provide to her everything she needs for a successful start. This will include transition time with Mr. Sullivan and set of knowledge books that describe the who, what, where and why to the RMLD, a luncheon with senior staff, as well as a two day orientation with all employees. Mr. Sullivan asked the Board if they had anything they wanted to add to that. Mr. Soli and Vice Chair Pacino said that it was a very good idea. Mr. Mancuso suggested trying to allocate some time to integrate the Commission members in the schedule without being disruptive for some "get to know you" time with the new General Manager. Mr. Soli suggested having the Commission members meet two and one so there is no need to post. Mr. Talbot asked Mr. Sullivan to circulate the schedule. Mr. Sullivan said that the dates are loose. He is planning a luncheon within the first week. The itinerary will come together two to three weeks after Ms. O'Brien's start date. The transition period is going to be upfront from July 15 until he goes on vacation. Mr. Mancuso clarified that Mr. Sullivan will be spending the bulk of his time to initiate the transfer of knowledge from Interim General Manager to General Manager. There will be a period where she will be more actively engaged in the organization at which time the commission may want to insert themselves. Mr. Mancuso asked, just as Mr. Talbot stated, to provide them with the schedule and add them in an appropriate way. Mr. Mancuso stated that it is great news we have a new General Manager, however, he wanted to thank Mr. Sullivan and the rest of the management team for helping the organization get through this period between general managers which was not without its events. Everyone within the organization has pulled together in a great way and created an opportunity for us to bring on a new General Manager. As the newest commission member he wanted to take this opportunity to thank all for helping us get through this process.

Vice Chair Pacino said that he was going to do this under the General Manager's Report, but would particularly like to thank Mr. Sullivan for his service during this period of time.

General Manager Contract Negotiation Committee – Chairman Stempeck

Vice Chair Pacino stated that Mr. Sullivan has done yeoman's work for the interim transition with it being difficult at times. Vice Chair Pacino is thankful to the Department, but particularly for Mr. Sullivan's leadership. Mr. Talbot and Mr. Soli seconded those comments and thanks.

Report of the Chairman (Attachment 1)

RMLD Board of Commissioners Committee and Assignments

This is on the Agenda to schedule Account Payable Assignments August to May.

Vice Chair Pacino provided the following Account Payable Assignments: August – David Talbot, September – David Mancuso, October – John Stempeck. The first back up will be Vice Chair Pacino.

Mr. Soli said that on another matter, at the April 24 RMLD Board meeting, there was a motion to reinstitute the Power & Rate Committee and General Manager Committee which carried 4:0:0. The Power & Rate Committee as well as the General Manager Committee are currently not staffed. Vice Chair Pacino suggested waiting until Chairman Stempeck is present then this will be discussed at the next meeting. The RMLD representative to the Town of Reading Audit Committee will be Vice Chair Pacino. Mr. Talbot said that he would like to discuss the Public Relations Committee once Ms. O'Brien is on board in order to decide what we want to do with that.

Mr. Soli made a motion seconded by Mr. Mancuso to appoint Mr. Pacino to the Town of Reading Audit Committee.

Motion carried 4:0:0.

NEPPA Conference Attendance – RMLD General Manager

The RMLD Board approves overnight travel for the General Manager.

Mr. Soli made a motion seconded by Mr. Talbot to authorize the General Manager's overnight travel to the NEPPA Conference.

Motion carried 4:0:0.

Mr. Talbot asked if the Board needs to approve the training. Vice Chair responded that training is in the commission budget.

General Manager's Report – Mr. Sullivan – Interim General Manager

Middleton Overpayment - Update

Mr. Sullivan reported that the RMLD will be receiving a check tomorrow from MELD in the amount of \$406,558. As requested by the Board, MELD has updated their invoices to indicate the number of fringe customer homes on each invoice. This will further reduce the possibility of a recurrence. Now the RMLD knows how many homes are being charged for that invoice so that Energy Services has a better understanding going forward of what those invoices should have for numbers. Mr. Sullivan said that the RMLD is working with National Grid to get them to do the same thing on their billing.

Independent System Operator Demand Response - Update

Mr. Sullivan said that at the March meeting, a request was made by the Board to come back after May 31, with the numerical value of how many municipalities have signed up for demand response. As of May 22, the number has grown to twenty-six utilities from eleven at the March meeting that allow demand response to take place through the Aggregators of Retail Customers. There are forty-six Massachusetts utilities with the breakout as follows: twenty-six with demand response, leaving a delta of twenty, eleven of the Massachusetts utilities do not have demand response customers, two Massachusetts utilities restrict demand response which leaves seven in the balance.

Special Audit

Mr. Sullivan reported that Berry, Dunn, McNeil & Parker will perform the special audit of RMLD's power supply contracts. The cost of the audit will be \$6,000 plus expenses. The audit will be performed in July prior to RMLD's auditors Melanson & Heath coming in. The anticipated completion date will be August 1.

Reading Senior Center - Thursday, June 27

Maureen Hanifan, Customer Service Manager, and Priscilla Gottwald, Community Relations Manager will speak about RMLD customer programs. Next Step Living an energy auditing firm currently working with the RMLD will speak about energy audits.

General Manager's Report – Mr. Sullivan – Interim General Manager

Vehicle Days – Thursday, July 18 and Tuesday August 20

RMLD will participate in Vehicle Day on July 18 in North Reading and August 20 in Reading.

Coolidge Middle School Science Olympiad Team

The RMLD received a thank you from the Coolidge Middle School Science Olympiad Team which thanked the RMLD for its generous contribution of light bulbs and key chains. These were exchanged during the swap meet which was part of the Science Olympiad National Tournament held on May 18 at Wright Station University, Dayton, Ohio. They competed in the tournament and placed twenty-four out of six thousand competing middle school teams. Mr. Sullivan extended his congratulations.

On another matter, Mr. Sullivan requested that the Board look to revisit the Green Choice Rate and restructure that we have spoken about that in the past. It is imperative that the Board look at that with the General Manager. Vice Chair Pacino stated that he was in total agreement with Mr. Sullivan.

Power Supply Report – May 2013 – Mr. Seldon (Attachment 2)

Mr. Seldon presented the May Power Supply Report provided in the Commissioner packets covering power supply charges, energy costs, fuel charges and collections, fuel reserve balance, spot market purchases, capacity costs, as well as the percentage of RMLD's hydro projects and energy efficiency measures installed.

Mr. Seldon reported that RMLD's load for May was approximately 56.4 million kilowatt hours which was approximately a .3% increase compared to May 2012. RMLD's energy cost came in at approximately \$2.29 million that is equivalent to approximately \$.046 per kilowatt hour. Mr. Seldon stated that the Fuel Charge adjustment was set at \$.045 per kilowatt hour for the month of May; the sales totaled 50,000,150 kilowatt hours, the RMLD under collected by approximately \$176,000 which resulted in a Deferred Fuel Cash Reserve balance of \$2.364 million. The Fuel Charge for June remains at \$.045 per kilowatt hour.

The RMLD purchased about 17.54% of its energy requirements from the ISO New England Spot Market at an average cost of about \$43 per megawatt hour. Mr. Seldon reported the RMLD hit a peak demand of 143.882 megawatts on May 31, 2013 at 4:00 p.m.; the average temperature was about 92 degrees which compares to a peak demand last year of 105 megawatts on May 24, 2012, at 3:00 p.m. The average temperature was 73 degrees. The RMLD's monthly capacity requirement was set at 211.73 megawatts; the total dollars paid for capacity was \$1.49 million which is equivalent to approximately \$7.05 per kilowatt month.

Mr. Soli pointed out that the Constellation contract has done terrific with the gas prices coming in at 3.5 cents total. Mr. Seldon said that Constellation is very competitive. It is the newest addition to RMLD's portfolio. This contract reflects the resulting effects of low gas prices.

Mr. Seldon reported that the RMLD does not have any banked RECs. The five hundred sixty five banked RECs from 2012 were retired on June 15, 2013. The quarter one 2013 RECs will be transferred to the RMLD on July 15. The projected market value of the RECs that have been generated through May represent \$371,875.

Mr. Talbot asked what the value for rebates on air conditioners is. Mr. Sullivan and Mr. Seldon responded that they do not have that value. Mr. Talbot said that what he is thinking of doing is asking Home Depot and Lowes to refrain from selling poor efficiency air conditioners in our community. Vice Chair Pacino said that Mr. Talbot's personal opinion is not representative of the Department. Mr. Talbot pointed out that the RMLD gives out rebates for air conditioners that provide about the same final cost for a more energy efficient model.

Mr. Talbot clarified that on the peak days, does the RMLD only pay what it uses to the peaking plants or are there annual contracts whether we use it or not. Mr. Seldon explained that on the contracted rates for entities the RMLD has contracts with the RMLD accepts everything they are going to give us. If we are short or long, this is bought or sold in the Spot Market. Mr. Talbot said that hypothetically, if the RMLD has a public relations campaign and knocks down load a little bit, does the RMLD benefit from this enormously. Mr. Seldon said that due to the luxury of how the portfolio is set up, it is the Department's philosophy to make sure that everything is not tied up in only generation contracts (where they are over generating). When a portion of energy is left, selling it or buying in the Spot Market provides the flexibility. It also leaves a percentage of the portfolio open for the purchase of sustainable contracts.

Power Supply Report – May 2013 – Mr. Seldon (Attachment 2)

Mr. Seldon said that the gas prices are at a low price, therefore, it is good to be in the Spot Market. Mr. Talbot asked what the benefit is if the RMLD does knock a percentage off the demand at the worst time on the hottest day, what is the dollar and cents value back to the RMLD. It would be good to know what to throw into that to achieve that.

Mr. Soli said that for ISO, the RMLD gets measured for its peak. That number plus approximately twenty-five percent is what the RMLD owes the ISO for the rest of the year. Mr. Soli explained that the 211.7 megawatts includes the twenty-five percent on the peak day. If on the peak day, customers shut off the air conditioning at the predicted peak, then the RMLD will save money.

Mr. Talbot requested for the next meeting to take a hypothetical on the worst day in May or June and perform a “what if” for demand. If it was decreased by one or two percent, what would be the savings for two hours. For the future it can be decided what it would be worth to invest in achieving this so there is a number to work with. Mr. Sullivan pointed out that if you are not eclipsing that peak (going beyond it) you will not save what you may think.

Mr. Talbot reiterated that on the May day where the peak was at its highest what would one percent less consumption save the RMLD. Mr. Seldon responded that it is possible to estimate the number based on Monday, June 24 when both the RMLD and the ISO hit a peak at 5:00 p.m. Mr. Talbot asked Mr. Seldon to come back with the numbers at the next meeting with Monday as a benchmark.

Engineering and Operations Report – May 2013 – Mr. Sullivan (Attachment 3)

Mr. Sullivan presented the report included in the Commissioner packet covering the monthly capital projects, an update on the metering project, and reliability reporting.

Mr. Sullivan reported the Customer Average Interruption Duration Index (CAIDI) monthly average value has dropped to its second lowest value in the last year. Engineering and Operations are working to bring the four-year average interruption duration to less than 60 minutes that is their goal. The average May CAIDI is 69.65 which is for the past five years. The May CAIDI value is at 45.96 minutes.

The average May System Average Interruption Frequency (SAIFI) is .05 outage incidents of frequency, which is nearly identical to April. This is well below the RMLD four year average. Months Between Interruptions (MBTI) is at 41 months.

Mr. Sullivan reported on the meter upgrade project. The mitigation adjustments have been completed to the fixed network system. The Department has been finalizing and tweaking the optimum placement of its repeaters. The installation of commercial meters has slowed due to the hot weather and this is due to the demand. The commercial installations will resume in September.

Vice Chair Pacino asked if the system had any issues with the hot weather this week. Mr. Sullivan responded that for the month of June approximately a half dozen transformers were replaced. One was from a lighting strike Upton Drive, Wilmington. Mr. Talbot inquired what caused the failures of the other transformers. Mr. Sullivan said that there were overloads as well as a variety of reasons such as cribs being separated, thus requiring transformers, it ran the gamut. Mr. Talbot asked what causes overload. Mr. Sullivan replied that when a transformer reaches its limitation it will eventually fail. Mr. Talbot asked the total cost to replace a transformer. Mr. Sullivan replied that the lowest cost is \$1,000, but it is dependent on the size of the transformer.

Financial Report – May 2013 – Mr. Fournier (Attachment 4)

Mr. Fournier presented the financial report included in the Commissioner packet including net loss \$540,000, expenses and revenues. Year to date net income is \$2.4 million. Year to date kilowatt hour sales were 642,000,000 kilowatt hours sold which is 162,000 kilowatt hours or 2.6% ahead of last year’s actual figure. The Gaw revenues collected year to date this year is \$642,000, total collected since inception \$1.9 million.

Mr. Fournier reported that this weekend they will be performing the physical inventory count. The auditors will be out on Monday to verify those physical counts and work on the account receivable confirmations. The field work for the audit will be on August 12.

Financial Report – May 2013 – Mr. Fournier (Attachment 4)

Mr. Soli had a question on page 12a Accounting and Collection and Labor Expense is over budget, what did you buy. Mr. Fournier replied that he will get back to Mr. Soli.

Vice Chair Pacino asked if there will be a transfer of money into the Rate Stabilization Funds because the Department did that last year. Mr. Fournier responded that will be addressed in September depending on the results of the audit.

Vice Chair Pacino asked if Mr. Fournier anticipates that the RMLD will be over its eight percent. Mr. Fournier responded it is difficult to say, but the early part of June as well as the recent weather will help the RMLD reach that goal.

General Discussion

There was none.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Rate Comparisons, June 2013

E-Mail responses to Account Payable/Payroll Questions

RMLD Board Meetings

Wednesday, August 14, 2013

Wednesday, September 25, 2013

Citizens' Advisory Board Meeting

August 21, 2013 – 6:30 pm (Tentative)

Fiscal Year 2015 Budget Meetings

April 2, 2014 – Lynnfield – April 9, 2014

On another matter, Mr. Talbot pointed out that there was big news earlier this week. The President is going to regulate carbon and coal plants. It is important that we reduce these emissions. It may be higher price for some of our electricity. Vice Chair Pacino pointed out that Senator Markey made a speech last night that this is an important issue for him going forward. Mr. Mancuso said that the state is leading the nation in its treatment of carbon which will help minimize the impact because we are ahead of the curve.

Executive Session Minutes

Mr. Soli made a motion seconded by Mr. Talbot to approve the Executive Session meeting minutes of April 24, 2013.

Motion carried 4:0:0.

Although Executive Session was posted for the approval of the Executive Session meeting minutes, they were approved in Regular Session.

Mr. Talbot had a follow up request on his peak demand issue, for the peak days for the year. Mr. Seldon said that the ISO peaks with the incident peaks will give you the best scenarios. Mr. Talbot said that the spirit of this is simple, if you have "x" then you will have "y". Mr. Talbot suggested using the ten hottest days of the year.

Adjournment

At 8:21 p.m. Mr. Mancuso made a motion seconded by Mr. Soli to adjourn the Regular Session.

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

David Talbot, Secretary, RMLD Board of Commissioners

REPORT OF CHAIRMAN
BOARD REFERENCE TAB B

RMLD Board of Commissioners Committees and Assignments
June 26, 2013

Audit (Including Town of Reading Audit)

Philip Pacino
Robert Soli

Recommend audit findings to the Board.
One member of Audit Committee meets at least semiannually with the Accounting/Business Manager on RMLD financial issues.
Town of Reading Audit Committee – Sit on the Town of Reading Audit Committee and select firm that performs annual financial audit or RMLD pension trust.

General Manager Search Committee

Not To Exceed One Year

John Stempeck, Chair
Philip Pacino

Recommend the RMLD General Manager.

Public Relations Committee

Not To Exceed One Year

John Stempeck
David Talbot

From time to time review press releases and public relations programs.

Budget Committee

Robert Soli, Chair
Philip Pacino
David Talbot

Recommend Operating and Capital Budgets to the Board.
Recommend actuaries and actuary findings to the Board.
Make recommendation to RMLD Board for legal counsel.

General Manager Contract Negotiation Committee

John Stempeck, Chair
Philip Pacino
Robert Soli

Develop and negotiate General Manager Contract.

Policy Committee

Philip Pacino, Chair
David Mancuso
David Talbot

Recommend changes of Board policies to RMLB.

Assignments

Accounts Payable

Philip Pacino – June
Robert Soli – July
David Talbot – August
David Mancuso – September
John Stempeck – October
Philip Pacino – First Back Up

Review and approve payables on a weekly basis. This position is rotational. It requires one signature.
No Commissioner may serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.

Assignments

Payroll – Four Month Rotation

Philip Pacino, April – July
David Talbot, August – November
Robert Soli, December – March
John Stempeck, April – July

Review and approve payroll. This position is rotational every four months. It requires primary signer and one back-up.
No Commissioner can serve more than three consecutive years on this Committee and must take a year leave before returning to this Committee.





Town of Reading

16 Lowell Street
Reading, MA 01867-2683
Phone: 781-942-6610
Fax: 781-942-9071

COMMUNITY PLANNING AND DEVELOPMENT COMMISSION

MEMORANDUM

To: Town of Reading Boards, Committees, and Commissions
Development Review Team (DRT) Staff – Town Manager, Building Inspector, Chief of Police, Fire Chief, Town Engineer, Town Planner, Tree Warden, Health Administrator, RMLD Chief Engineer, Conservation Administrator, DPW Director

From: Charlie Adams, Chair,
Community Planning and Development Commission (CPDC)

Date: July 3, 2013

Re: Comprehensive Update of the Reading Zoning Bylaw

I am writing on behalf of the CPDC to update you on the status of the Comprehensive Update of the Reading Zoning Bylaw (ZBL). The current ZBL is in need of updating and we are asking for your help in identifying problematic areas.

Zoning changes of this magnitude have far reaching implications and should be carefully crafted and involve significant community dialogue. The zoning update work will be completed in two phases. Phase I involves a recodification to improve the overall structure of the ZBL. This phase will be handled by staff who will also work on zoning amendments which have been identified for immediate prioritization. The moratorium on Medical Marijuana will be presented at Subsequent Town Meeting in November 2013. Other possible Phase I amendments which may be considered for the November 2013

Subsequent Town Meeting include:

- Prohibiting Billboard Signs;
- Reasonable Regulations for M.G.L. Ch40A §3 (Dover Amendment);
- Clarification of Zoning for Carriage Houses (ZBL Section 4.3.2.10);
- One or two others that may surface as a priority after input is received from staff and boards, committees, and commissions.

Phase II would involve hiring a consultant to assist with an overhaul of the ZBL which is funded through the FY14 budget. This phase will entail a significant amount of public process to gain input from the community. The estimated timeframe for the Phase II

comprehensive update of the ZBL, including hiring a consultant and public input, is approximately 18 months. The goal is to have the complete updated ZBL as an Article for Subsequent Town Meeting in November of 2014. A project outline is included in the attached.

The planning process associated with Phase II of the zoning update will be structured to encourage staff and public participation including the Boards, Committees, and Commissions. This will also provide the time needed to develop a zoning bylaw for allowing Medical Marijuana Treatment Centers during the proposed moratorium timeframe.

A two phased approach is recommended so that the Town can move forward by addressing the immediate needs of the ZBL while also providing sufficient time for careful study and public dialogue of the more complex aspects of the zoning update project. The CPDC welcomes any comments you may have on this. Please submit your comments by **August 1, 2013** to keep on track with the proposed project outline.

Attachment

2013/2014

Comprehensive Update – Reading Zoning Bylaw

Project Outline

Timeframe	Tasks
June, 2013	<p>Task 1: Define project approach and get input from BOS</p> <ul style="list-style-type: none"> • Doing this in two phases as the preferred approach: <ul style="list-style-type: none"> • Phase I 2013 STM short term rezoning needs; • Phase II 2014 STM comprehensive update of the Zoning By Law (ZBL); • 2013 STM will have Medical Marijuana Moratorium and possibly a few additional zoning amendments to consider.
June/July, 2013	<p>Task 2: Internal and Public Outreach – Gather input on how the ZBL can be improved</p> <ul style="list-style-type: none"> • DRT type of kickoff with Staff, Land Use Board Members, Attorneys, Design Professionals, Developers, Past Applicants, General Public and others • Develop and launch surveys via bi-weekly notes, survey monkey and other outlets • Begin to hold regular public meetings/zoning workshops to foster input <p>Task 3:</p> <ul style="list-style-type: none"> • Finalize Draft RFP and solicit for consultant to assist with comprehensive update.
July/August, 2013	<p>Task 4. STM Zoning and Data Collection</p> <ul style="list-style-type: none"> • Refine proposed ZBL changes for STM in November of 2013 • Collect input and include in final RFP for consultant selection • Advertise RFP and award in September
September 2013	<p>Task 5: Finalize Phase I of rezoning; begin Phase II</p> <ul style="list-style-type: none"> • Finalize plan based on public and internal staff comments. • Present final ZBL changes to CPDC mid/late September for public hearing. • Update BOS by mid/late September. • Hire consultant; appoint a rezoning committee
November, 2013	<p>Task 6: Zoning Amendments STM/Commence ZBL Comprehensive Update</p> <ul style="list-style-type: none"> • Consultant and committee begin meeting regularly • Consultant to develop a list of where the ZBL needs revisions/additions (including information gathered from Task 2 above) • Work on Purpose, Definitions, and Administration
December, 2013	<p>Task 7: Comprehensive Update – New Elements</p> <ul style="list-style-type: none"> • With Consultant add new language as needed
January - March 2014	<p>Task 8: Re-work the major elements of the ZBL (Districts; Use Regulations; Intensity Regulations; General; Applicability)</p> <ul style="list-style-type: none"> • Hold public meetings and develop a Draft Updated Zoning By-Law • Update Town Meeting and present Draft recommendations • Community Forum including business community on draft recommendations and rework comments into revised Final draft. • CPDC Hold a public hearing and prepare for STM 2014 • Present comprehensive update of the Reading Zoning Bylaw
April	
May, June, July	
August	
November 10, 2014	



POWER SUPPLY REPORT
BOARD REFERENCE TAB C



To: Coleen O'Brien
 From: Energy Services
 Date: August 6, 2013
 Subject: Purchase Power Summary – June, 2013

Energy Services Division (ESD) has completed the Purchase Power Summary for the month of June, 2013.

ENERGY

The RMLD's total metered load for the month was 64,874,890 kWh, which is a 3.5% increase from the June, 2012 figures.

Table 1 is a breakdown by source of the energy purchases.

Table 1

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy	Total \$ Costs	\$ as a %
Millstone #3	3,582,803	\$6.99	5.52%	\$25,035	1.02%
Seabrook	5,702,165	\$8.22	8.79%	\$46,856	1.90%
Stonybrook Intermediate	1,338,980	\$68.79	2.06%	\$92,114	3.74%
JP Morgan	6,580,000	\$60.01	10.14%	\$394,862	16.02%
NextEra	8,806,000	\$45.54	13.57%	\$400,999	16.26%
NYPA	1,614,088	\$4.92	2.49%	\$7,941	0.32%
ISO Interchange	11,302,447	\$46.94	17.42%	\$530,564	21.52%
NEMA Congestion	0	\$0.00	0.00%	-\$218,245	-8.85%
Coop Resales	20,844	-\$3,666.09	0.03%	-\$76,416	-3.10%
MacQuarie	10,168,000	\$44.12	15.67%	\$448,661	18.20%
Summit Hydro	1,515,038	\$59.20	2.33%	\$89,696	3.64%
Braintree Watson Unit	397,156	\$82.32	0.61%	\$32,693	1.33%
Swift River Projects	2,486,873	\$102.29	3.83%	\$254,379	10.32%
Exelon	11,334,000	\$37.91	17.47%	\$429,643	17.43%
Stonybrook Peaking	41,296	\$164.29	0.06%	\$6,784	0.28%
Monthly Total	64,889,690	\$38.00	100.00%	\$2,465,567	100.00%

Table 2 breaks down the ISO interchange between the DA LMP Settlement and the RT Net Energy for the month of June, 2013.

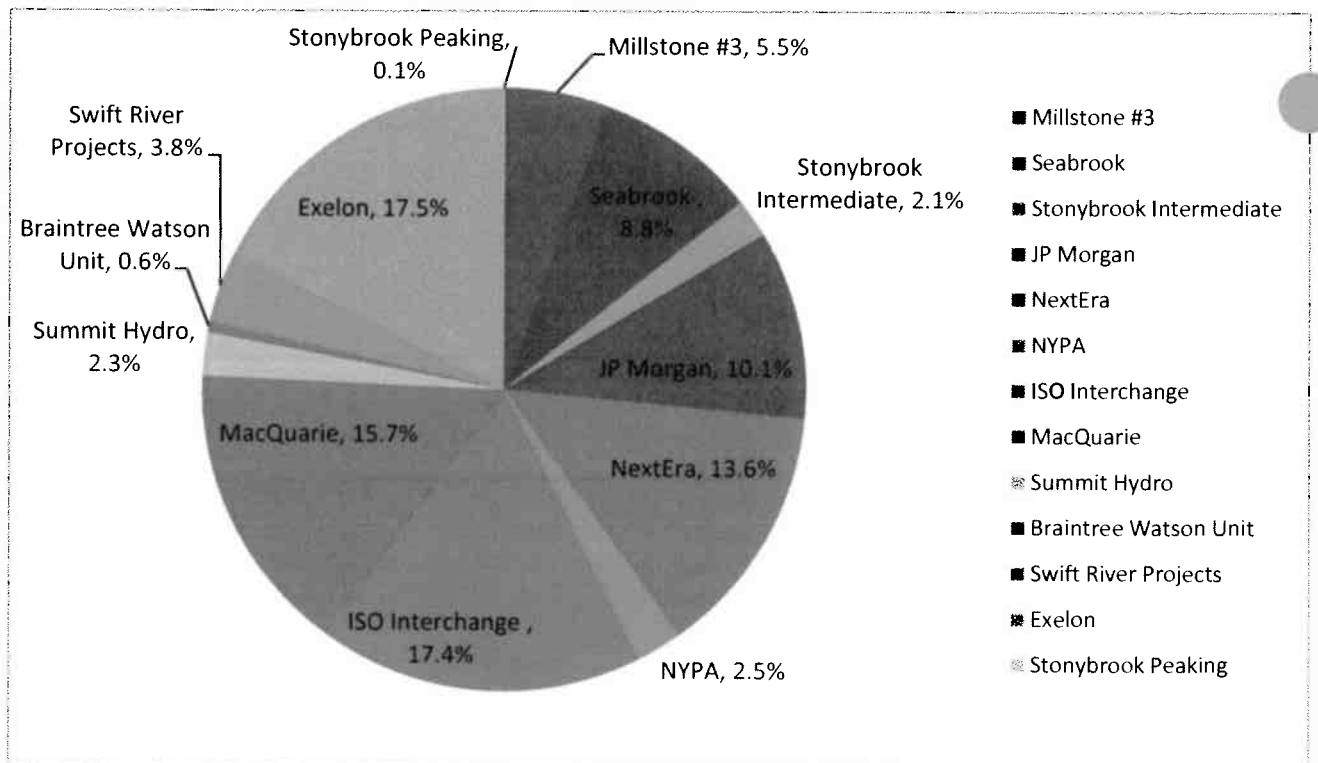
Table 2

Resource	Amount of Energy (kWh)	Cost of Energy (\$/Mwh)	% of Total Energy
ISO DA LMP *	13,399,905	41.61	20.65%
RT Net Energy ** Settlement	-2,097,458	4.91	-3.23%
ISO Interchange (subtotal)	11,302,447	46.94	17.42%

* Independent System Operator Day-Ahead Locational Marginal Price

** Real Time Net Energy

JUNE 2013 ENERGY BY RESOURCE



CAPACITY

The RMLD hit a demand of 162,059 kW, which occurred on June 24, at 5 pm. The RMLD's monthly UCAP requirement for June, 2013 was 214,318 kW.

Table 3 shows the sources of capacity that the RMLD utilized to meet its requirements.

Table 3

Source	Amount (kWs)	Cost (\$/kW-month)	Total Cost \$	% of Total Cost
Millstone #3	4,950	46.38	\$229,601	15.59%
Seabrook	7,903	44.82	\$354,207	24.05%
Stonybrook Peaking	24,981	1.96	\$48,956	3.32%
Stonybrook CC	42,925	3.81	\$163,574	11.11%
NYPA	4,019	3.91	\$15,714	1.07%
Hydro Quebec	4,683	4.36	\$20,426	1.39%
Nextera	60,000	5.50	\$330,000	22.41%
Braintree Watson Unit	10,520	10.77	\$113,270	7.69%
ISO-NE Supply Auction	54,337	3.62	\$196,848	13.37%
Total	214,318	\$6.87	\$1,472,596	100.00%

Table 4 shows the dollar amounts for energy and capacity per source.

Table 4

Resource	Energy	Capacity	Total cost	% of Total Cost	Amt of Energy (kWh)	Cost of Power (\$/kWh)
Millstone #3	\$25,035	\$229,601	\$254,636	6.47%	3,582,803	0.0711
Seabrook	\$46,856	\$354,207	\$401,063	10.18%	5,702,165	0.0703
Stonybrook Intermediate	\$92,114	\$163,574	\$255,688	6.49%	1,338,980	0.1910
Hydro Quebec	\$0	\$20,426	\$20,426	0.52%	-	0.0000
JP Morgan	\$394,862	\$0	\$394,862	10.03%	6,580,000	0.0600
NextEra	\$400,999	\$330,000	\$730,999	18.56%	8,806,000	0.0830
* NYPA	\$7,941	\$15,714	\$23,655	0.60%	1,614,088	0.0147
ISO Interchange	\$530,564	\$196,848	\$727,411	18.47%	11,302,447	0.0644
Nema Congestion	-\$218,245	\$0	-\$218,245	-5.54%	-	0.0000
MacQuarie	\$448,661	\$0	\$448,661	11.39%	10,168,000	0.0441
* Summit Hydro	\$89,696	\$0	\$89,696	2.28%	1,515,038	0.0592
Braintree Watson Unit	\$32,693	\$113,270	\$145,963	3.71%	397,156	0.3675
* Swift River Projects	\$254,379	\$0	\$254,379	6.46%	2,486,873	0.1023
Coop Resales	-\$76,416	\$0	-\$76,416	-1.94%	20,844	-3.6661
Constellation Energy	\$429,643	\$0	\$429,643	10.91%	11,334,000	0.0379
Stonybrook Peaking	\$6,784	\$48,956	\$55,740	1.42%	41,296	1.3498
Monthly Total	\$2,465,567	\$1,472,596	\$3,938,163	100.00%	64,889,690	0.0607
* Renewable Resources					8.65%	

RENEWABLE ENERGY CERTIFICATES (RECs)

Table 5 shows the amount of banked and projected RECs for the Swift River Hydro Projects through June, 2013, as well as their estimated market value.

In July 2013, 4,604 Q1 RECs were sold to EDF Trading for \$245,711.

Table 5
Swift River RECs Summary
Period - January 2013 - July 2013

	Banked RECs	Projected RECs	Total RECs	Est. Dollars
Woronoco	3,018	4,024	7,042	\$192,314
Pepperell	434	1736	2170	\$117,180
Indian River	1152	1536	2688	\$145,152
Turners Falls	194	259	453	\$0
Grand Total	4,798	7,555	12,353	\$454,646

TRANSMISSION

The RMLD's total transmission costs for the month of June were \$1,030,696. This is an increase of 59.5% from the May transmission cost of \$646,177. In June, 2012 the transmission costs were \$645,305.

Table 6

	Current Month	Last Month	Last Year
Peak Demand (kW)	162,059	143,882	163,070
Energy (kWh)	64,889,690	56,418,457	62,753,418
Energy (\$)	\$2,465,567	\$2,289,286	\$3,017,804
Capacity (\$)	\$1,472,596	\$1,492,008	\$1,519,690
Transmission(\$)	\$1,030,696	\$646,177	\$645,305
Total	\$4,968,858	\$4,427,471	\$5,182,799

ENERGY EFFICIENCY

Table 7 shows the comprehensive results from the Energy Conservation program. The amount of savings is broken down by both demand and energy for the Commercial and Residential sectors.

Table 7		Total \$		Total		Total \$			
Commercial	Year	Capacity Saved (kW)	Energy Saved (kWh)	\$/kW	\$/kWh	Rebate	Rebate/kWh	Rebate/kW	Cost Benefit
Total to date	FY07-12	7,597	32,061,914	\$ 664,001	1,873,797	\$ 1,030,984	\$ 0.03	\$ 135.72	\$ 1,506,815
Current	FY13	1347	4,051,112	\$ 9.00	202,556	\$ 424,835	\$ 0.10	\$ 315.45	\$ (76,829)
Residential									
Total to date	FY07-12	1,157	1,104,935	\$ 104,014	59,037	\$ 423,996	\$ 0.38	\$ 366.41	\$ (260,945)
Current	FY13	158	110,673	\$ 17,074	4,427	\$ 144,595	\$ 1.31	\$ 914.63	\$ (123,094)
Total									
Total to date	FY07-12	8,754	33,166,849	\$ 768,016	1,932,834	\$ 1,479,980	\$ 0.04	\$ 169.07	\$ 1,220,870.07
Current	FY13	1,505	4,161,785	\$ 162,525	208,089	\$ 569,430	\$ 0.14	\$ 378.39	\$ (198,816)

Table 8 shows the breakdown for residential appliance rebates by type and year.

Table 8		Washing Machine		Refrigerator		Dishwasher		Dehumidifier		Central A/C		Window A/C		Thermostat		Audits		Renewable		HP Water Heater		Fan		
Year	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars	QTY	Dollars
2007																								
2008	86	\$ 4,300	47	\$ 2,350	55	\$ 2,750	7	\$ 175	17	\$ 1,700	10	\$ 250	23	\$ 230	107	\$ 14,940								
2009	406	\$ 20,300	259	\$ 12,950	235	\$ 11,750	40	\$ 1,000	41	\$ 4,100	50	\$ 1,250	114	\$ 1,140	107	\$ 14,940								
2010	519	\$ 25,950	371	\$ 18,550	382	\$ 19,100	37	\$ 925	64	\$ 6,400	49	\$ 1,225	127	\$ 1,270	64	\$ 8,960	6	\$ 20,700						
2011	425	\$ 21,250	383	\$ 19,150	313	\$ 15,650	47	\$ 1,175	57	\$ 5,700	65	\$ 1,625	118	\$ 1,180	180	\$ 26,960	4	\$ 18,000						
2012	339	\$ 16,950	354	\$ 17,700	289	\$ 14,450	38	\$ 950	44	\$ 4,400	56	\$ 1,400	105	\$ 1,050	219	\$ 32,731	3	\$ 14,000	9	\$ 2,250	3	\$ 30		
2013	285	\$ 14,250	336	\$ 16,800	311	\$ 15,550	29	\$ 725	24	\$ 2,400	54	\$ 1,350	57	\$ 570	375	\$ 75,000	3	\$ 15,000	4	\$ 1,000	5	\$ 50		
Total	2060	\$ 103,000	1750	\$ 87,500	1585	\$ 79,250	198	\$ 4,950	247	\$ 24,700	284	\$ 7,100	544	\$ 5,440	1052	\$ 173,531	16	\$ 67,700	13	\$ 3,250	8	\$ 80		



Description of RMLD's Power Supply

Stony Brook Intermediate Unit

The Stony Brook Intermediate Unit is a 354-megawatt, combined-cycle power plant that entered commercial operation in 1981.

The unit's three gas turbines generate electricity using either No. 2 oil or natural gas, with additional electricity produced using a single steam turbine in the combined-cycle process. MMWEC completed construction of a new natural gas pipeline to serve the Intermediate Unit in September 2002. The RMLD has a Life of Unit entitlement for 14.453% of the unit or approximately 51Mws. The RMLD has paid off the debt service associated with this project.

Quick Facts - Stony Brook Intermediate Unit

Location	Ludlow, Massachusetts
On-Line Date	1981
Fuel	No. 2 oil/natural gas
Principal Owner/Operator	MMWEC
Total Capacity	354 megawatts

Stony Brook Peaking Unit

The Stony Brook Peaking Unit is a 172-megawatt peaking plant that entered commercial operation in 1982.

The unit's two gas turbines generate electricity using No. 2 oil. The RMLD has a Life of Unit entitlement for 19.516% of the unit which is equivalent to about 33 Mws. The RMLD has paid off the debt service associated with this project.

Quick Facts - Stony Brook Peaking Unit

Location	Ludlow, Massachusetts
On-Line Date	1982
Fuel	No. 2 oil
Principal Owner/Operator	MMWEC
Total Capacity	172 megawatts

Description of RMLD's Power Supply

Braintree Electric Light Department - Watson Unit

The simple-cycle gas-fired plant is powered by the first two Rolls-Royce Trent 60 gas turbines built for the U.S. power generation market—known as Watson Units #1 and #2. The units entered commercial operation on June 23, 2009.

Both Watson Units are bid into the ISO New England market system daily and are dispatched based on their total price.

The unit's two gas turbines generate electricity using Natural Gas, with No. 2 oil as backup fuel. The RMLD has a 20 year entitlement for 10% of the unit which is equivalent to about 10 Mws.

Quick Facts - Watson Unit

Location	Braintree, Massachusetts
On-Line Date	2009
Fuel	Nat Gas/No. 2 Oil
Principal Owner/Operator	Braintree Electric Light Dept
Total Capacity	100 megawatts

Seabrook Station

Seabrook Station is a 1,244-megawatt nuclear generating plant located in Seabrook, New Hampshire. An operating license for Seabrook was issued in 1986, but the plant did not begin commercial operation until 1990. The principal owner and operator of Seabrook Station is NextEra Energy Resources LLC, a subsidiary of Florida-based FPL Group, Inc. NextEra owns 88.2% of Seabrook Station. The other owners are MMWEC (11.59%) and two Massachusetts municipal utilities, the Taunton Municipal Lighting Plant (0.13%) and the Hudson Light & Power Department (0.08%).

NextEra has announced plans to seek an extension of its Seabrook operating license, from the current license expiration date of 2030, to 2050. RMLD signed 3 different projects to finance Seabrook, Mix 1, Project 4, & Project 5. The debt service associated with these projects will be paid off in 2014, 2017 & 2018 respectively. The RMLD has a life of unit contract for 0.635% or a little more than 7 Mws of the unit.




Description of RMLD's Power Supply

Quick Facts - Seabrook Station

Location:	Seabrook, New Hampshire
On-Line Date:	1990
Fuel:	Nuclear - Pressurized Water Reactor
Principal Owner/Operator:	NextEra Energy Resources LLC
Total Capacity:	1,244 megawatts

Millstone Unit 3



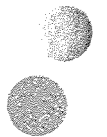
Millstone Unit 3 is a 1,237-megawatt nuclear generating plant located in Waterford, Connecticut. Millstone Unit 3, which began operation in 1986, is the newest and largest of Millstone Station's three nuclear units, one of which is retired from service. The principal owner and operator of Millstone Station is Dominion Nuclear Connecticut, Inc., a subsidiary of Virginia-based Dominion Resources, Inc. Dominion Nuclear Connecticut owns 93.47% of Millstone Unit 3.

The Nuclear Regulatory Commission on Nov. 28, 2005 approved Dominion Nuclear Connecticut's request for a 20-year operating license extension for Millstone's Unit 3 reactor. The license now expires in Nov. 2045. RMLD signed 2 different projects to finance Millstone #3, Mix 1 and Project 3. The debt service associated with these projects will be paid off in 2014 & 2018 respectively. The RMLD has a Life of Unit agreement for 0.404% of the unit which equates to approximately 4.6 Mws.

Quick Facts - Millstone Unit 3

Location:	Waterford, Connecticut
On-Line Date:	1986
Fuel: Nuclear:	Pressurized Water Reactor
Principal Owner/Operator:	Dominion Nuclear Connecticut, Inc.
Total Capacity:	1,237 megawatts

NYPA Contract



The RMLD receives inexpensive hydroelectric power from the New York Power Authority (NYPA). RMLD received capacity and energy from this contract. The Massachusetts Department of Public Utilities (DPU) has appointed MMWEC as the administrator of this contract. The current contract expires in 2025.

Description of RMLD's Power Supply

Hydro-Quebec Interconnection

The Hydro-Quebec Interconnection is an approximate 2000 Mw, direct current electric transmission line connecting central New England with the Canadian utility Hydro Quebec. Construction of the U.S. portion of the interconnection, which stretches from Groton/Ayer, in Massachusetts to the Canadian border in northern Vermont, was a joint effort of many New England utilities. The RMLD receives capacity from this contract. Phase I of this project expires in 2012 and Phase II expires in 2015.

IntegrYS/MacQuarie

In September, 2008 the RMLD signed a system power contract with IntegrYS Energy Services, Inc. that is effective from January 1, 2009 through December 31, 2012. Subsequently, IntegrYS assigned the contract to MacQuarie in 2010. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract.

MacQuarie

In May, 2009 the RMLD signed a system power contract with MacQuarie that is effective from January 1, 2010 through December 31, 2013. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured heat-rate pricing for this contract.

JP Morgan

In June, 2010 the RMLD signed a system power contract with JP Morgan that is effective from January 1, 2011 through December 31, 2014. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract.

NextEra Energy Power Marketing LLC

In June, 2011 the RMLD signed a system power contract with NextEra Energy Power Marketing LLC that is effective from January 1, 2012 through December 31, 2015. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract.

Swift River Hydro

In March, 2011 the RMLD signed purchase power agreements with Swift River Hydro LLC for the output of four hydro systems located in Massachusetts that are effective from February 1, 2011 through January 31, 2026. The Swift River Trading Company is the lead market participant for and represents these hydroelectric generators with a total nameplate capacity of approximately 7 MW and average annual generation of 25,000 megawatt-hours per year.

Description of RMLD's Power Supply

These facilities include the Woronoco Hydro facility in Russell, MA, Pepperell Hydro in Pepperell, MA; Indian River Power Supply in Russell, MA; and Turners Falls Hydro in Turners Falls, MA. Each of these facilities is owned by a special purpose entity, e.g., the Woronoco facility is owned by Woronoco Hydro LLC. The four facilities are managed by the Swift River Trading Company, LLC as the lead market participant for each of the facilities. Dr. Peter Clark is the manager of the Swift River Trading Company. RMLD is the only buyer.

- **Pepperell Hydro:** 15 year term beginning on February 1, 2011 and ending on January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has nameplate capacity of 1.9 MWs. The products include, but are not limited to, Energy, Installed Capability, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The Contract Price for these products is \$100/MWh for the first year, escalated at 2.25 % thereafter.
- **Woronoco Hydro:** 15 year term beginning on February 1, 2011 and ending on January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has nameplate capacity of 2.7 MWs. The products include, but are not limited to, Energy, Installed Capability, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The Contract Price for these products is \$100/MWh for the first year, escalated at 2.25 % thereafter. The facility is not currently qualified for FCM. Until Seller qualifies the facility for FCM the contract price is reduced by \$5.00/MWh.
- **Turners Falls Hydro:** 15-year term beginning on February 1, 2011 and ending on January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has nameplate capacity of 1 MW. The products include, but are not limited to, Energy, Installed Capability, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The Contract Price for these products is \$100/MWh for the first year, escalated at 2.25 % thereafter. The facility is not currently qualified for FCM. Until Seller qualifies the facility for FCM the contract price is reduced by \$5.00/MWh.
- **Indian River Power Supply:** 15-year term beginning on February 1, 2011 and ending on January 31, 2026. RMLD is purchasing all of the products produced by or attributable to the facility. The facility has nameplate capacity of 1.4 MWs. The products include, but are not limited to, Energy, Installed Capability, Ancillary Services, Renewable Energy Certificates and Environmental Attributes (to the extent not included in the RECs). The Contract Price for these products is \$100/MWh for the first year, escalated at 2.25 % thereafter. The facility is not currently qualified for FCM. Until Seller qualifies the facility for FCM the contract price is reduced by \$5.00/MWh.

Description of RMLD's Power Supply

Florida Power & Light Energy Power Marketing, Inc. (FP&L)

In March, 2008 the RMLD signed a power supply agreement for capacity with FP&L that is effective from June 1, 2012 through May 31, 2017. The contract is for 60,000 kW of firm, Rest-Of-Pool ICAP (Installed Capacity). The amount of capacity purchased is fixed at 60,000 kW, and the pricing is as follows:

Power Year	\$ per kW-month		
	Fixed Price	Floor Price	Cap Price
6/1/2012 – 5/31/2013	\$5.50		
6/1/2013 – 5/31/2014		\$5.50	\$6.00
6/1/2014 – 5/31/2015		\$5.65	\$6.15
6/1/2015 – 5/31/2016		\$5.90	\$6.40
6/1/2016 – 5/31/2017		\$6.15	\$6.65

Exelon

In June, 2012 the RMLD signed a system power contract with Exelon that is effective from January 1, 2013 through December 31, 2016. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract

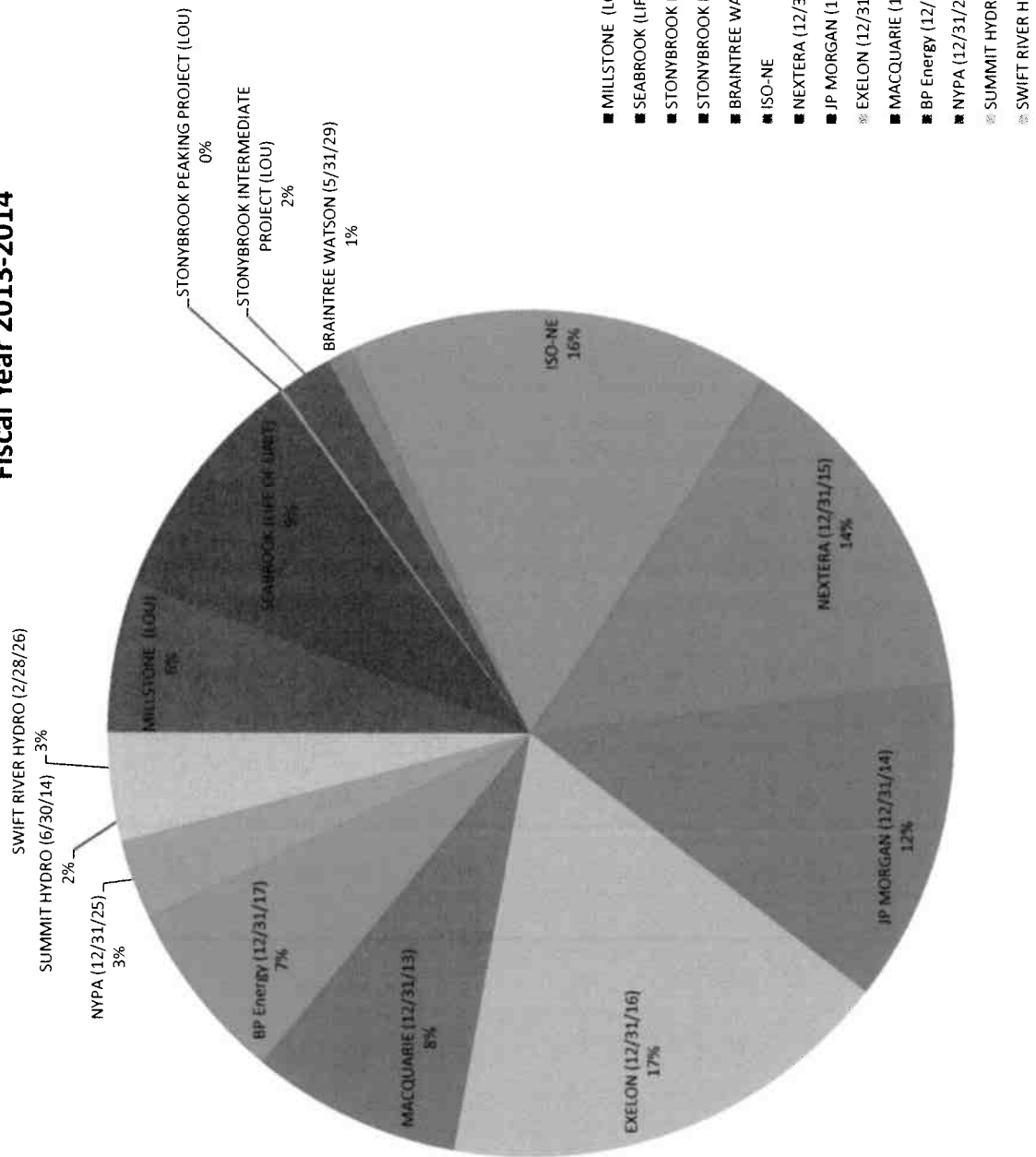
BP Energy

In July, 2013 the RMLD signed a system power contract with BP Energy that is effective from January 1, 2014 through December 31, 2017. The RMLD receives energy only from this contract. The amount of energy purchased fluctuates on a monthly basis for both the on-peak and off-peak period. RMLD has secured fixed pricing for this contract

Summit Hydro

In June, 2011 the RMLD signed a purchase power agreements with Summit Hydropower Inc. for the output of Wyre Wynd Hydro located in Jewett City, Connecticut. The contract with Summit Hydro that is effective from July 1, 2012 through June 30, 2014. The RMLD receives energy only from this contract. The average annual generation is approximately 9,800 megawatt-hours per year.

RMLD Energy by Resource Fiscal Year 2013-2014



- MILLSTONE (LOU)
- SEABROOK (LIFE OF UNIT)
- STONYBROOK PEAKING PROJECT (LOU)
- STONYBROOK INTERMEDIATE PROJECT (LOU)
- BRAINTREE WATSON (5/31/29)
- ISO-NE
- NEXTERA (12/31/15)
- JP MORGAN (12/31/14)
- ⊛ EXELON (12/31/16)
- MACQUARIE (12/31/13)
- BP Energy (12/31/17)
- NYPA (12/31/25)
- ⊛ SUMMIT HYDRO (6/30/14)
- ⊛ SWIFT RIVER HYDRO (2/28/26)



Fuel Charge Adjustment (FCA)

The FCA is a per kWh charge that is based on the month's estimated energy cost divided by the estimated kWh sales for that month, adjusted by over and under collections in the previous month.

Adjustments will be made periodically to account for over and under recovery of purchased energy costs. The objective is to continually balance fuel costs with fuel charges.

A Deferred Fuel Cash Reserve (DFCR) fund is established to accomplish the balancing. The DFCR has a target range of \$2-\$3 million. This range is based on 3 months of historical recovery.

In order to stabilize customer billing, the FCA can not be adjusted more than \$0.005 in any consecutive month.

Purchase Power Adjustment (PPA)

The PPA is a per kWh charge or credit that is based on all power and transmission charges exclusive of fuel. The PPA allows the department to recover or credit customers for increases or decreases in capacity and energy charges since the last cost of service study (COSS). The PPA is based on the month's estimated capacity and transmission charges divided by the estimated kWh sales for that month. This value is subtracted from \$0.03984/kWh, which is the amount of base charges from the COSS.

In order to stabilize customer billings, the PPA is annualized over the fiscal year and balanced on a monthly basis.

NYPA Credit

The NYPA credit is a per kWh credit that all residential customers receive. The RMLD receives inexpensive hydroelectric power from the New York Power Authority (NYPA). The benefit of this contract is returned to all RMLD residential customers. The benefit is calculated monthly and is based on actual power billing and is compared to the spot market. The cost of the NYPA power is subtracted from the spot market and adjusted by over and under collections in the previous month. This difference is divided by the estimated kWh residential sales for that month.

The FCA, PPA, and NYPA credit are included annually in the fiscal year budget and monitored and adjusted accordingly on a monthly basis.



Reading Municipal Light Department

Energy Services Division (ESD)

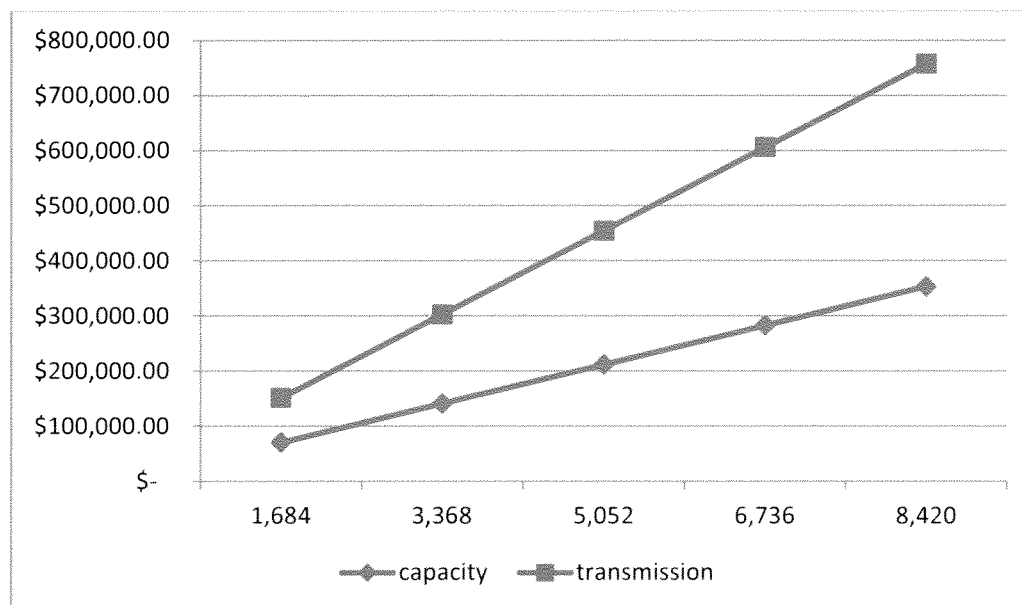
Memo To: Coleen O'Brien
From: Jane Parenteau and William Seldon
Subject: Estimated Savings Due to Demand Reduction
Date: August 9, 2013


At the June, 2013 Reading Municipal Light Board meeting, Commissioner Talbot requested the estimated financial savings to RMLD if the peak demand (or demand period) was reduced. Energy Services has calculated the estimated savings that demonstrates the impact of demand reduction on Capacity and Transmission costs.

For the purpose of this estimate, ESD used the peak demand from July 19, 2013 of 167,759 kW and current capacity and transmission charges. This was done in order to show the range and magnitude of potential savings due to demand reduction. ESD estimated cost savings at a peak reduction range of 1% - 5% of peak demand.

The graphs below show the estimated savings based on existing capacity and transmission costs at the different percentage reduction ranges of the peak. This information indicates the magnitude of the savings that could be achieved at fixed levels of demand reduction. The capacity savings graph is based on load being shed during the annual system peak, in this example the July 19th peak of 168,700 kW. These savings are based on one hour of reduction coincident with the ISO-NE system peak. The transmission graph depicts the savings that could be achieved by reducing demand on each month's peak hour over a year.



Demand Reduction Savings Estimates Based on Specific Peak Reduction Percentages





An example of a demand reduction program which the RMLD is currently in the process of updating is the residential hot water heater program. With the equipment being installed on participating customer's hot water heaters approximately 500 kW can be curtailed during the Department's monthly peaks. This will result in an estimated annual capacity savings of \$18,000 and estimated annual transmission savings of \$42,000.

The estimated savings are gross savings which do not take into consideration program implementation costs that would have to be spent in order to realize the demand reduction savings. Various programs would need to be evaluated in order to determine which types of demand reduction techniques are most cost effective for the RMLD.



ENGINEERING AND OPERATIONS
REPORT
BOARD REFERENCE TAB D

ENGINEERING & OPERATIONS REPORT WILL BE HANDED OUT PRIOR TO RMLD BOARD MEETING



FINANCIAL REPORT BOARD REFERENCE TAB E

FINANCIAL REPORT WILL BE HANDED OUT PRIOR TO RMLD BOARD MEETING



BOARD MATERIAL AVAILABLE
BUT NOT DISCUSSED



June-13

TOWN OF READING MUNICIPAL LIGHT DEPARTMENT
RATE COMPARISONS READING & SURROUNDING TOWNS

INDUSTRIAL - TOU
109,500 kWh's
250,000 kW Demand
80/20 Split

	RESIDENTIAL 750 kWh's	RESIDENTIAL-TOU 1500 kWh's 7:5/25 Split	RES. HOT WATER 1000 kWh's	COMMERCIAL 7,300 kWh's 25,000 kW Demand	SMALL COMMERCIAL 1,080 kWh's 10,000 kW Demand	SCHOOL RATE 35000 kWh's 130.5 kW Demand	INDUSTRIAL - TOU 109,500 kWh's 250,000 kW Demand 80/20 Split
READING MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$94.76	\$166.99	\$109.46	\$836.96	\$163.85	\$3,880.93	\$10,562.82
PER KWH CHARGE	\$0.12634	\$0.11132	\$0.10946	\$0.11465	\$0.15171	\$0.11088	\$0.09646
NATIONAL GRID							
TOTAL BILL	\$108.55	\$202.60	\$144.73	\$976.70	\$139.12	\$4,305.17	\$11,942.83
PER KWH CHARGE	\$0.14474	\$0.13507	\$0.14473	\$0.13380	\$0.12882	\$0.12300	\$0.10907
% DIFFERENCE	14.56%	21.33%	32.22%	16.70%	-15.09%	10.93%	13.06%
NSTAR COMPANY							
TOTAL BILL	\$121.38	\$221.15	\$159.69	\$1,098.30	\$165.32	\$6,099.05	\$14,625.02
PER KWH CHARGE	\$0.16183	\$0.14743	\$0.15969	\$0.15045	\$0.15307	\$0.17426	\$0.13356
% DIFFERENCE	28.09%	32.44%	45.89%	31.22%	0.90%	57.15%	38.46%
PEABODY MUNICIPAL LIGHT PLANT							
TOTAL BILL	\$90.84	\$173.35	\$117.19	\$935.82	\$148.63	\$4,722.53	\$10,802.06
PER KWH CHARGE	\$0.12113	\$0.11557	\$0.11719	\$0.12819	\$0.13762	\$0.13493	\$0.09865
% DIFFERENCE	-4.13%	3.81%	7.07%	11.81%	-9.29%	21.69%	2.26%
MIDDLETON MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$99.77	\$198.39	\$132.64	\$959.51	\$168.44	\$4,762.93	\$13,330.75
PER KWH CHARGE	\$0.13303	\$0.13226	\$0.13264	\$0.13144	\$0.15596	\$0.13608	\$0.12174
% DIFFERENCE	5.29%	18.80%	21.18%	14.64%	2.80%	22.73%	26.20%
WAKEFIELD MUNICIPAL LIGHT DEPT.							
TOTAL BILL	\$104.99	\$203.67	\$137.88	\$1,045.84	\$168.46	\$4,895.58	\$13,519.62
PER KWH CHARGE	\$0.13998	\$0.13578	\$0.13788	\$0.14327	\$0.15599	\$0.13987	\$0.12347
% DIFFERENCE	10.79%	21.97%	25.97%	24.96%	2.82%	26.14%	27.99%

Jeanne Foti

From: Kevin Sullivan
Sent: Tuesday, May 28, 2013 8:31 AM
To: RMLD Board Members Group
Cc: Jeanne Foti
Subject: FW: Account Payable Questions - May 24

Below are the answers to the A/P questions received this week.

Kevin Sullivan

Reading Municipal Light Department
Interim General Manager

From: Jeanne Foti
Sent: Tuesday, May 28, 2013 6:27 AM
To: Kevin Sullivan
Subject: Account Payable Questions - May 24

Stempeck

1. Office Paper Recovery System – Is this solar array up & running?
Response: Office Paper Recovery's solar array is up and running. Signed off by wire inspector on May 14, 2013
2. JCM Realty – Is it common practice for renter's to pay real estate taxes? – Not included in the rent??
Response: The lease agreement states that RMLD will pay for 26% of the Real Estate taxes, see agreement dated 7/15/94 section "RENT" listing RMLD's financial responsibilities.
3. Sullivan - \$400+ per tire? Specialized?
4. **Response:** These tires are for one of the line trucks and cost more than a tire for a standard vehicle. Sullivan tire is on the State bidders list meaning the state has negotiated competitive pricing which we leverage.

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone
781-942-2409 Fax

Please consider the environment before printing this e-mail.

Jeanne Foti

From: Coleen O'Brien
Sent: Monday, July 22, 2013 12:02 PM
To: RMLD Board Members Group
Cc: Kevin Sullivan; Bob Fournier; Jeanne Foti
Subject: FW: Account Payable Questions - July 19
Attachments: Visual Paradigm Customer Listing.pdf; Kevin E-Mail to Commissioner Soli - AP.pdf

Good morning Commission Members:

The following are the Accounts Payable questions submitted by Commissioner Soli:

1. **Visual/Paradigm – The worry-wart in me asks “Are we sure that this is in no way connected w. the Chinese army? Also – no C. O’Brien signatures.**

Visual Paradigm International Ltd. is a software company that creates business process modeling software. The RMLD MIS department uses Logizian Business Analyst and Teamwork Server. The invoice reflects the software license and one (1) year support.

<http://www.visual-paradigm.com/product/?favor=lz>

Attached, please find a listing of Visual Paradigm’s Selected Users List which includes such federal government agencies as the U.S. Department of Energy Nevada Site Office, United States Department of Agriculture, United States Navy and US Army. Other Fortune 500 companies are listed as users as well.

Please refer to item 2 regarding no signatures by Coleen.

2. **In general, very few invoices were signed by C. O’Brien. It’s be nice if Commissioners were informed about alternate signers.**

Kevin Sullivan and I went over the Accounts Payable this first week to familiarize me with the logistics of the process and the vendors. Kevin had performed the majority of the review as part of the Interim to GM transition process. Unless I am at an off-site meeting, you can expect that I will sign all of the AP moving forward, otherwise Kevin or Jane will sign in my absence, which I believe is how the process had been covered in the past if Vinnie was off-site. It is the policy of RMLD to notify the signatory Commissioner and the Reading Town Manager of any signature changes. An email notification was sent to the respectable parties on Friday at 1:11pm; perhaps it was just a matter of timing on opening emails.

Thank you,

Coleen M. O’Brien

General Manager
Reading Municipal Light Department
230 Ash Street
Reading, MA 01867
(781) 942-6415

Search



Home > About > Users List

Selected Users List

See who are using Visual Paradigm's Products

- Adobe
- Advanced Medical Optics, Inc.
- Airbus
- Anteon Corporation
- Apple Inc.
- ARINC Incorporated
- Association for Computing Machinery (ACM)
- ASUSTeK Computer
- AT&T Worldnet Service
- Alos Origin
- Automatic Data Processing, Inc. (ADP)
- Barnes & Noble
- BearingPoint, Inc.
- BNP Paribas
- Boeing
- Carnegie Mellon University
- Caterpillar
- Cisco Systems, Inc
- Computer Sciences Corporation (CSC)
- Credit Suisse
- Deutsche Bank AG
- Dow Jones & Company
- DuPont
- Electronic Data Systems Corporation (EDS)
- EMC Corporation
- European Aeronautic Defence and Space Company N.V. (EADS)
- Financial Engines, Inc.
- Financial Times
- Fujitsu Siemens Computers
- German Research Center for Artificial Intelligence
- Health Canada
- Hitachi Global Storage Technologies
- Hong Kong Hospital Authority
- Hong Kong Planning Department
- HP
- Intel Corporation
- Invensys
- Jet Propulsion Laboratory
- Lockheed Martin Corporation
- Logitech
- Massachusetts Institute of Technology
- MCI Inc.
- Michelin
- Microsoft Corporation
- Motorola, Inc
- NASA
- National Association of Insurance Commissioners (NAIC)
- National Institutes of Health (NIH)
- National Semiconductor Corporation
- Navy Warfare Development Command
- NCR Corporation
- New York Stock Exchange Group
- Nokia
- Northrop Grumman Corporation (NGC)
- Oracle
- Panasonic
- PennWell Corporation
- Procter & Gamble
- Ricoh Co., Ltd.
- Royal Institute of Technology, Sweden
- RSA Security Inc.
- Sandia National Laboratories
- SAP
- SAS Institute, Inc.
- SRA International, Inc.
- Samsung
- Scotiabank
- Seagate Technology
- Siemens AG
- Solars, Inc.
- Sony Japan
- Starbuck
- Sun Microsystems
- Swedish Customs
- Symantec Corporation
- Syscon Justice Systems Ltd
- The MITRE Corporation
- Thomson Corporation
- Toshiba
- Toyota
- U.S. Central
- U.S. Department of Energy Nevada Site Office
- UBS
- United States Department of Agriculture
- United Nations Framework Convention on Climate Change
- United States Navy
- University of Illinois at Urbana-Champaign
- US Army
- VERITAS Software
- Venzon
- Whirlpool Appliances
- World Bank Group
- Xerox Corporation

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- Academic Partner
- Training Center Partners
- Technology Partners

Jeanne Foti

From: Kevin Sullivan
Sent: Friday, July 19, 2013 1:11 PM
To: Bob Soli; LeLacheur, Bob (blelacheur@ci.reading.ma.us)
Cc: Coleen O'Brien; Jeanne Foti
Subject: This week's A/P

In this week's A/P, you will see signatures from Coleen and I on the invoices and Coleen has signed all warrants.
Thank you,

Kevin Sullivan

Reading Municipal Light Department
Engineering & Operations Manager

Jeanne Foti

From: Coleen O'Brien
Sent: Wednesday, July 17, 2013 2:05 PM
To: RMLD Board Members Group
Cc: Kevin Sullivan; Jeanne Foti; Bob Fournier
Subject: FW: Payroll Question - July 15

Good afternoon Commission Members:

Vice Chairman Pacino requested verification of hours and rates for the sick leave buy-back on Mr. Cameron and Mr. Bilicki. The hours and rates have been verified and are accurate as presented with the payroll warrant.

Thank you,

Coleen M. O'Brien

General Manager
Reading Municipal Light Department
230 Ash Street
Reading, MA 01867
(781) 942-6415

From: [Redacted]
Sent: Tuesday, July 16, 2013 7:08 AM
To: Coleen O'Brien
Subject: Payroll Question - July 15

Pacino

1. Sick Leave Buyback – Cameron/Bilicki has hours + rate been verified??

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone
781-942-2409 Fax

Please consider the environment before printing this e-mail.

Jeanne Foti

From: Coleen O'Brien
Sent: Tuesday, July 30, 2013 7:36 AM
To: RMLD Board Members Group
Cc: Jeanne Foti; Bob Fournier; Patricia Mellino
Subject: FW: Account Payable Question - July 26

Good evening Commissioner Members:

1. Based on RMLD actual meter data for these two residents, one uses historically 2500 - 3000 KWH per month during the summer months and the other near 750- 1000 KWH. Therefore, the usage is appropriate. The National Grid billing period is 33 days, and when the exact billing dates (excluding exact time of day) were queried in the RMLD system, the bills reconciled to within a couple percent of the 4584 KWH.

From: Jeanne Foti
Sent: Friday, July 26, 2013 3:36 PM
To: Coleen O'Brien
Subject: Account Payable Question - July 26

Soli

1. Nat'l Grid – If this is for only 2 residences, isn't 4584 KWH a bit fir Jun 7 – Jul 10.

Jeanne Foti
Reading Municipal Light Department
Executive Assistant
230 Ash Street
Reading, MA 01867

781-942-6434 Phone
781-942-2409 Fax

Please consider the environment before printing this e-mail.

Jeanne Foti

From: Jeanne Foti
Sent: Tuesday, August 06, 2013 8:09 AM
To: RMLD Board Members Group
Subject: Account Payable Warrant and Payroll - No Questions

Good morning.

In an effort to save paper, the following timeframes had no Account Payable Warrant and Payroll questions. This e-mail will be printed for the Board Book for the RMLD Board meeting on August 14, 2013. Where there were Account Payable and Payroll questions those will be printed for the Board Book which has been done in the past.

Account Payable Warrant – No Questions

May 31, June 7, June 14, June 21, June 28, July 5, July 12, August 2

Payroll – No Questions

June 3, June 17, July 1, July 29

Jeanne Foti
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