



## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2019-09-19

Time: 07:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

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

David Talbot, Chair; David Hennessy, Commissioner; Thomas O'Rourke, Commissioner; Philip B. Pacino, Commissioner

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

John Stempeck, Vice Chair

#### **Others Present:**

RMLD Staff: Coleen O'Brien, General Manager; Hamid Jaffari, Director of Engineering and Operations; Charles Underhill, Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance and Utility Technology; Roni Holzer, Assistant Director of Utility Technology; Zachary Borton, Senior Power Supply Analyst; Tracy Schultz, Executive Assistant

Dennis Kelly, Citizens' Advisory Board

**Minutes Respectfully Submitted By:** David Hennessy, Secretary Pro Tem

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### **Topics of Discussion:**

#### **Call Meeting to Order**

Chair Talbot called the meeting to order and read RMLD's Code of Conduct. Chair Talbot announced that the meeting is being videotaped at the RMLD office at 230 Ash Street, for distribution to the community television stations in North Reading, Lynnfield, and Wilmington. Chair Talbot asked Mr. Hennessy to serve as Board Secretary. Vice Chair Stempeck was absent.

#### **Public Comment**

There was no public comment.

#### **Report on Citizens' Advisory Board Meeting on September 19, 2019**

Mr. Kelly stated that Mr. Jaffari reported on reliability and acquiring land for a new substation. The upcoming budget meeting was also discussed.

#### **Approval of Board Minutes**

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board approve the meeting minutes of April 24, 2019, on the recommendation of the General Manger.

**Motion Carried: 4:0:1. One absent.**

## **General Manager's Report**

### **a. Update on the report regarding the payment to the Town of Reading**

Ms. O'Brien stated that she met with Energy New England on Monday and provided draft financials. Energy New England will make a presentation to the Board after they receive and review the final budget. There was discussion among the Board regarding at what point the study would become a public document.

Mr. Pacino asked for an update on the 20-year agreement. Ms. O'Brien explained that the renewal process has been initiated: Ms. Rybak is drafting a letter to send out to each of the four towns.

## **Integrated Resources Division**

### **a. Power Supply Report – June and July 2019**

Mr. Underhill stated that total purchase power is on budget for the summer, but because costs earlier in the year were below expectation, overall purchase power is under budget. Energy costs tracked well and account for 80 percent of the power supply budget. The cost of capacity is set during the peak of the prior year. Since the battery and generator have come online, RMLD has been accruing transmissions savings, which will be apparent next year. The specifications of RMLD's battery and generator were discussed. Mr. Underhill highlighted the participation of RMLD's largest customers in peak reduction. Chair Talbot emphasized how important it is for RMLD customers to reduce the peak. Mr. Underhill returned to his presentation and discussed the resources that were dispatched each month. RMLD had a lot of load coverage in July due to NextEra. May and June were below budgeted amounts due to being relatively mild. July was above the budgeted threshold.

### **b. Update on RMLD solar and renewable policies**

Mr. Underhill presented RMLD's portfolio showing carbon and non-carbon resources. In 2010, about 20 percent of RMLD's portfolio was non-carbon. In the first half of 2019, 37 percent was non-carbon. RMLD has dramatically grown the green component of its portfolio. Municipal light plants are currently discussing with the state how to match the Renewable Portfolio Standard and the Clean Energy Standard. In 2018 the Renewable Portfolio Standard was about thirteen percent and the Clean Energy Standard was 16 percent: RMLD's was 37 percent. Chair Talbot asked for an explanation of definitions. Mr. Underhill stated that the Renewable Portfolio Standard requires that the entity claiming the renewable resources is acquiring the Renewable Energy Certificates (RECs). RMLD does not retire RECs. RMLD buys energy output and the RECs are sold. RMLD does not take credit. The Clean Energy Standard does not require the acquisition or retirement of RECs and is a state standard. Ms. O'Brien stated RMLD is putting together a timeline of its energy purchases, the cost of renewable going forward, and how RMLD falls in relation to renewable standards. Mr. Underhill then discussed RMLD's power supply commitments. In three years, 70 percent of the portfolio will be open to the market. There will be a lot of decisions to make. RMLD meets the target threshold for the more aggressive Clean Energy Standard through 2026. Mr. Underhill stated that Mr. Borton is reviewing the solar rate and Ms. O'Brien has asked for a cost of service study.

## **Financial Report**

### **a. Resolution of the Reading Municipal Light Department for Acceptance of Chapter 32B, Section 20 (OPEB Fund)**

Ms. Markiewicz explained that the Town of Reading is asking the RMLD to reaccept 32B Section 20, which is an Other Post-Employment Benefits (OPEB) statute. It will allow for more proper adherence to GASB rules. It will allow for investment in the pension reserve trust, which will help meet the actuarial target of 7.5 percent interest on funds. The Commission voted in 2011 allowing the town treasurer to serve as custodian of funds. This will allow that to continue and allow investment in the trust fund. Right now, RMLD investments are yielding two percent. The state average is 7.5 percent. RMLD will have the ability to take funds out of the trust as well. Ms. O'Brien added that the Town has been investing the funds. Concerns regarding the stock market taking a downturn were expressed and discussion about the best way to vote on the motions ensued.

**a. Resolution of the Reading Municipal Light Department for Acceptance of Chapter 32B, Section 20 (OPEB Fund)**

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners approve the resolution that the Reading Municipal Light Department hereby accepts the provisions of Chapter 32B, Section 20 of the Massachusetts General Laws, as amended by Chapter 218, Section 15 of the Acts of 2016 (the "Act"), which shall govern its Other Post-Employment Benefits Liability Trust Fund (the "OPEB Fund"), on the recommendation of the General Manager.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners amend and approve the motion that the Board of Commissioners approve *the resolution that in accordance with provisions of Chapter 32B, Section 20 of the Massachusetts General Laws, as amended by Chapter 218, Section 15 of the Acts of 2016* (the "Act"), the Reading Municipal Light Department hereby designates the Treasurer of the Town of Reading to serve as Custodian of the OPEB Fund (the "Custodian"), on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners approve the resolution that the Declaration of Trust, presented by the General Manager, be adopted by the Reading Municipal Light Department and executed by the Board of Commissioners, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

Mr. Hennessy made a motion, seconded by Mr. Pacino, that the Board of Commissioners amend and approve the resolution that the Reading Municipal Light Department transfer any and all monies currently held for the purpose of paying retiree health and life benefits to *the* Other Post-Employment Benefits Fund, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners approve the resolution that the Custodian of the Other Post-Employment Benefits Fund shall be designated as Trustee of the Other Post-Employment Benefits Fund, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

Mr. Hennessy made a motion, seconded by Mr. Pacino, that the Board of Commissioners amend and approve the resolution that That the Reading Municipal Light Department authorize and direct the trustee to invest and reinvest the monies in *the* Other Post-Employment Benefits Fund in the State Retiree Benefits Trust Fund, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board of Commissioners approve the resolution that the Treasurer of the Town of Reading, as Custodian of the Other Post-Employment Benefits Fund, be, and hereby is, authorized to execute and deliver the Investment Agreement with the State Retiree Benefits Trust Fund board of trustees on behalf of the Reading Municipal Light Department for the purpose of making the representations and warranties, acknowledgements and agreements on the part of the Reading Municipal Light Department to be made and performed thereunder, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

#### **b. Financial Report – July 2019**

Ms. Markiewicz stated that as of July 31, RMLD had \$7 million of operating expenses, which is about 2.8 times the unrestricted cash amount of \$19.5 million. Receivables were 99 percent current. The current overall operating, maintenance, and general expenses are 15 percent under budget. Three percent of depreciable gross plant is for depreciation and that is what is reserved for capital spending. Except for fiscal year 2015, the depreciation reserve is much than the capital improvements that the RMLD has made. Ms. Markiewicz presented a five-year comparison of kWh sold and a month-by month comparison of kWh sold.

#### **Engineering and Operations Report**

Mr. Jaffari reviewed major construction projects, including a pole upgrade that was completed at Franklin and Grove Street, Reading, getaway replacements at Station 4, and area upgrades at Deborah Drive in Reading. The maintenance programs were reviewed. There are 72 pending pole transfers in Lynnfield, 35 pending pole transfers and six pull poles in Reading, one transfer and four pending pull poles in North Reading, and ten transfers and two pull poles in Wilmington. RMLD is doing very well in reliability and is below national and regional averages. Outage causes were reviewed, including motor vehicle accidents and weather. Equipment-related outages are half of what they used to be.

#### **Procurement Request Requiring Board Approval**

##### **IFB 2019-13 Mailing Services for Municipal Electric Bills**

Mr. Hennessy made a motion, seconded by Mr. Pacino, that IFB 2019-13 for Mailing Services for Municipal Electric Bills be awarded to: Data Integrators, Inc. (Option B) for \$104,400.00, pursuant to M.G.L. chapter 30B, as the lowest responsive and responsible bidder, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

##### **IFP 2019-18 Underground Utility Vehicle with Trade-In (2001 – 36' Bucket)**

Mr. Jaffari explained that this vehicle is used for underground construction. Invitations for proposals were sent to nine vendors and one responded. There was a minor exception, but it was acceptable.

Mr. Pacino made a motion, seconded by Mr. Hennessy, that IFP 2019-18 for one (1) Underground Utility Vehicle with Trade-In be awarded to: Minuteman Trucks, Inc. for \$168,225.00, pursuant to M.G.L. chapter 164, section 56D, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

##### **IFB 2019-19 Customer Parking Lot Improvements**

Mr. Jaffari explained that invitations to bid were sent to 20 vendors and RMLD received two bids. The lowest bidder took exception, but it was minor.

Mr. Hennessy made a motion, seconded by Mr. Pacino that IFB 2019-19 for Customer Parking Lot Improvements be awarded to: Edward Paige Corporation for \$208,469.00, pursuant to M.G.L. chapter 30, section 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager.

**Motion Carried: 4:0:1.**

#### **General Discussion**

Meeting dates were discussed.

#### **Adjournment**

At 9:11 p.m., Mr. Pacino made a motion, seconded by Mr. Hennessy, that the Board go into Executive Session to consider the purchase of real property, to discuss confidential, competitively-sensitive and proprietary information in relation to making, selling, or distributing electric power and energy, and to discuss strategy with respect to collective bargaining and return to Regular Session for the sole purpose of adjournment.

**Adjournment**

Roll call vote: Mr. O'Rourke: Aye; Mr. Pacino: Aye; Mr. Hennessy: Aye; Chair Talbot: Aye.

**Motion Carried: 4:0:1**

The Board returned to regular session for the sole purpose of adjournment and on the motion made by Mr. Pacino and second by Mr. Stempeck, adjourned the regular session at 9:41 pm.

**Motion Carried: 4:0:1**

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



David Hennessy, Secretary Pro Tem  
RMLD Board of Commissioners