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John M. Driscoll, *General Manager*

Light Commissioners' Meeting

January 24, 2018

Members present were: Chairman Dana Blais
Clerk/Secretary Chris Stewart

Employees present were: General Manager John Driscoll
Light Superintendent Tom Berry
Business Manager Jennifer Belliveau

The meeting was called to order at 6:35 p.m. by Dana.

The agenda was approved on a motion from Chris, seconded by Dana, 2-0 in favor.

The draft minutes of December 13, 2017 were not available for tonight's meeting.

Old Business:

The Light Superintendent (LS) updated the Board on the Eaton AMI metering system. The LS said that the commercial meters had arrived today. The first Gateway was installed today; we will have four (4) Gateways in total, with a Verizon communication line to each. The LS will send out letters to the first 50 AMI customers stating that their meters will be changed soon. He talked about the Virtual Privacy Network (VPN) for cyber security. Montalbano Computer Service is our outside IT company who is handling this setup. The VPN consists of 3 parties: CPS in Iowa, Eaton in Minnesota and the TMLWP Gateway here. The LS hopes to get this all together in the next couple of weeks. He said that the next batch of meters will be released in April (hopefully), and Eaton is sending roughly 700 per month. When all of the AMI meters get to the TMLWP, our linemen will be installing them. The GM thinks that we can change 30-40 meters per day.

The GM informed the Board about the upgrade of the 7 office computers from Dell "Optiplex" to Dell "Precision". This was necessary in order to have everyone's operating system the same version of Windows 10. The GM stated that our access to the Yukon system remotely was not possible using Windows 7 or 8. The LS was handling these computer upgrades one at a time, and the GM stated that he would only need to coordinate with ASABSD to get the TMLWP billing software application on all 7 units AND move the Itron MVRs software application from Lindsay's old computer to her new one (this is the only computer tied to the existing AMR meter hand-held reader hardware).

The GM updated the Board on the battery storage system progress. He had just met with Jason V from MMWEC along with Doug A and Chris Q from NEC here at the TMLWP to re-evaluate our options. The GM said that relying on the MA DOER at this point was no longer a safe bet, and expressed frustration with Ashburnham, Wakefield and W Boylston all receiving grant funds for their battery/flywheel projects.

He did not know on what criteria that Templeton had been disqualified, emphasizing our unique structure with a 10 MW peak load with 4.7 MW of behind-the-meter distributed generation. With almost \$2.5M held in reserves for various reasons at MMWEC the GM felt that the TMLWP should allocate its own financial resources toward a 1-2 MVA battery system anyway; that the benefits of the capacity transmission savings outweighed the risk.

The GM added that the cost per DC KW of these types of batteries had dropped substantially from the date of our first pro forma done by MMWEC. He drew parallels to the Sterling battery system 2 MVA/3.8 MWH at \$650 per DC KW installed a new Templeton battery system 1.5 MVA/3.1 MWH for \$400 per DC KW installed. Much like solar panels, added demand for them and improved technology had lowered installation costs substantially. (At present the conceptual design was for a 1 MVA/1.9 MWH system but the GM's visit with MMWEC and NEC had convinced him that a 1.5 MVA/3.1 MWH system was now in the realm of possibility due to the lower installed costs.) The GM stated that it would not be possible without financing at least 50% of project costs via MMWEC Pooled Loan Program. Based on today's interest rates the TMLWP could borrow \$1M against MMWEC's line of credit from Bank of America for a 10-year note at 4% interest effectively. The other \$1M could come from a combination of our \$566K in Rate Stabilization and our \$1.097M in MA Reserve Trust. The GM said that the stabilization fund had never been tapped into since its creation in 2010 due to continually dropping energy prices since then.

The GM updated the Board on his selection of Melanson-Heath as the TMLWP's new outside accounting firm. Zach F and Andrew G from there had come out to visit with us during the second week of January for preliminary audit field work. The GM had told them that we would like to go back to completing our own annual MA DPU Report again, so they would not have to worry about it and could focus solely on the department plus the subsidiary audit. Zachary and Andrew seemed like they were going to be great to work based on the GM's and BM's first impressions. The Manager had been directed toward Melanson-Heath as a viable replacement for Goulet-Salvidio by Peter D from Wakefield. MA MLPs currently utilizing their accounting/audit services included Concord, Danvers, Norwood, Peabody, Reading and Wakefield.

The GM informed the Board he was unable to attend the MEAM meeting on the MA House Bills [H.1757](#) & [H.2700](#) and MA Senate Bill [S.1875](#) on the state's Renewable Portfolio Standard (RPS). He had planned on attending the MEAM meeting till it was canceled due to a (non-) snow event; he could not attend the make-up meeting the following week. He would be reaching out to other MLP Managers to get feedback from them on the missed meeting.

The GM updated the Board on the total costs submitted for the Mutual Aid in St Thomas, USVI. For NEPPA Mutual Aid Wave II billing, our total invoice was \$115K and for Wave III it was \$52K. These amounts had been submitted to Scott E and Nick L in Littleton for reimbursement. The GM stated that the TMLWP's actual expense for this effort was only \$91K.

The GM informed the Board that Chris P from Pera Surveying Co called him on Monday regarding the TMLWP's property at #11 ¾ Elm St. Chris said he is not getting too much information on the lot(s), but he has been working on it. He did state that he was surprised with the information coming from the Town on it. Chris is on a large job in Woburn, MA and this is, understandably, his priority over Elm St. The GM said that we had not been invoices from Pera Surveying Co yet for any work that he had completed.

The GM discussed the status on UniBank online bill payments with the Board. Stacy J and Brittany K from UniBank had informed the GM that TMLWP customers can now make ACH online payments with their checking/savings account, but credit card approvals from AMEX, Discover and Mastercard had not come yet. The GM told Stacy and Brittany that we would rather wait to notify our customers till the entire process was ready to go. TMLWP will not be accepting VISA payments online via UniBank, and the GM had made this decision based on VISA's odd fee schedules. UniBank had advised us that customer transactions with VISA would likely all have the same \$4 transaction fee and weren't based on the amount of bill payment. The GM and BM both hoped that the convenience of 24-hour online bill payment

would "soften the blow" from Century Bank and Merchant Services. Having our customers absorb this fee in the future would prevent our having to spread the in-house credit card payment cost over all of our other customers. The TMLWP should be ready to announce this service in 2-3 weeks, according to the GM. Chris asked if this affects the ACH customers that are already set up; the GM said no, and they would likely not want to stop ACH here as long as it was free. However, since the TMLWP's ACH fee is roughly \$0.11 per transaction with 600 or so customers enrolled, the \$66 per month was easily covered by our cost-of-service rates.

New Business:

The GM informed the Board that the FY2018 Light Plant Actuarial Study results had come back from Odyssey Advisors Group. He was quite pleased to inform them that the Light Plant's UAAL had actually **DECREASED** from \$1.493M to just \$982K. This was due to the Town's decision to downgrade their retirees from Medex 3 to Medex 2. Since the Light Plant was "heavy" on the retirement side (10 retirees plus 3 spouses), our post-retirement cost increases going forward were now drastically reduced and would also be reduced for existing employees when that time came. The GM had initially advised the Board to deposit a portion of the Seabrook Project 6 refund into our OPEB Trust held at MMWEC, but the updated UAAL figure of \$982K meant that now the TMLWP only need deposit \$50K annually to be fully funded by 2041 (23 years). Now the GM advised the Board to leave the OPEB Trust balance at its current level and simply make the annual payments of \$50K till the next actuarial results are calculated in FY2021.

Dana inquired about the possibility of our withdrawing funds from our OPEB Trust prior to 2041 to pay for existing employee or retiree benefit costs. The GM responded that yes, that was exactly what this fund was for. With average annual premium increases of 7% going back to FY2006 the Light Plant has been able to absorb the cost within the constraints of our operating budget. However, if the Town came to a fiscal year when the premiums were to increase by 15% or more, the TMLWP could absolutely use our OPEB funds rather than increase electric rates to cover this cost increase.

The GM discussed an email from the Interim Town Administrator, Carter T, regarding Town Buildings & GDS Energy Audits. GDS Associates is the energy audit firm used by MMWEC for its HELPS audits for residential and commercial/industrial buildings. The GM distributed a list of energy audit estimates from GDS to cover ALL of the Town's facilities used at present. He thought that this proposal to the Town would be a good substitute for a cash contribution toward a PILOT. He also said we could allow the Town to pick and choose which sites they would like prioritized or not, and even eliminate facilities from the list totally if their plans were to be out of it soon. The GM had MMWEC provide these estimates quickly once he had learned that the Town was to meet with representatives from the MA DOER and the MRPC on Green Communities on January 29.

Right now, the GM was not sure if Templeton electric customers would be assessed an additional \$0.0005 per KWH for KWH usage since the TMLWP was already in the Renewable Trust since 2009 and already charged customers the \$0.0005 per KWH. He would have to find out for sure since another \$30K in costs to our electric customers should definitely be part of the Town's decision-making criteria to "go green" or not. The GM would attend this meeting and get answers. He would also speak with Carter T and Eric P (incoming town administrator) so that they were all on the same page as far as what the Town would have to do to comply with the Green Communities Act. He would advise them that the initial grant funding to the Town from the MA DOER could only be used for energy efficiency projects and would have to be tracked carefully. The Town would require the services of a grant-writer in order to keep getting funds each fiscal year and that was not free. Also, the changes to the existing building code would likely be roadblocks given the number of local contractors being affected by the Stretch Code.

The TMLWP had already replaced all the Town's street lighting and municipal lighting with its own funds and had immediately passed the efficiency savings onto the Town in their fiscal electric bill for lighting. The GM said that over \$200K had been spent since 2010 on this LED conversion effort and the only outside money infused was a \$20K from a MA DOER grant opportunity presented thru MMWEC for its member systems. He would rather continue to work with the Town on efficiency on a project-by-project (PILOT by PILOT) basis rather than involving the State for energy audits and improvements.

The GM talked about our HELPS program, specifically the rebates on single and central air conditioning units. Currently Templeton residents were eligible for a \$250 rebate on such systems thru MMWEC/HELPS plus an additional \$625 rebate available thru the MA CEC. since Templeton was a member of the State's Renewable Trust and had been paying in since 2009, our residential customers could take advantage of rebates offered here too. The GM stated since KWH sales were ultimately trending down over the last 10 years, we might as well try to sell some more electricity now with the help of these rebates. He suggested a doubling of the current \$250 rebate to \$500; for a total of \$1,125 in eligible rebates even Templeton customers would surely take advantage and purchase single or central AC units.

The GM cited a quick turnaround to the Light Plant on payback for the additional \$250 in rebates and added that your average home would increase KWH usage by 25% overall. He said that this was a much better use of the rebate mechanism than offering \$300 for a new residential oil furnace; why should the TMLWP be assisting the local oil companies? He felt that they should be paying for these rebates, NOT the electric customers. Dana said to come back with the information on the costs of the items, the GM will look into this.

The GM handed out the Light Plant portion of the Town's FY2017 Annual Report for the Board's review.

The GM mentioned the ISO-NE peak load hour for December 2017 to the Board. The peak for December was Hour 18 on 12-18-17, at which time the TMLWP's demand was just 9.601 MW. The GM had done a breakdown of our hourly cost for this hour and arrived at \$660.

The Manager had four handouts for the Board tonight:

1. November & December 2017 Power Supply
2. December 2017 Wind Generation
3. December 2017 Kilowatt-Hour Sales and Revenues
4. Year-End 2017 Kilowatt-Hour Sales and Revenues
5. January 2018 Retail Electric Rates
6. Q4 2017 Electric Rate Comparisons (MMWEC)

Other Business:

[The content below in *italics* is related to the Water Plant, not the Light Plant, however a discussion ensued during the light portion of the Board meeting

The WS talked about the water line service to #64 Maple St that had frozen this month due to the cold weather. It took the Water Plant 90 minutes to thaw. The customer called and was upset when it happened knowing he would be getting an invoice from us. He wanted to come to the Board meeting to discuss it but when the WS called him with the date of the meeting, the customer decided to just pay his invoice for \$148. He was under the impression that ALL the apparatus from the water main into the basement was our responsibility forever and that was not the case.

There was also discussion on #66 Victoria Ln that about an in-law apartment added to the house. The resident had not yet paid the multi-dwelling water entrance fee of \$1K to the Water Plant. The LS and WS both said that when Larry B was building inspector that he would not sign the building occupancy permit unless light and water departments were content with their fees paid. Dana suggested sending a letter to the Town explaining how this was handled in the past. The GM agreed that this was unfortunate and would mail the resident a letter advising him to pay us the \$1K (which was now \$2K in our T&C). He would give him a few months to pay it and could always either turn the water service off or place a municipal lien on the property.

The GM informed the Board that DCAMM had attempted thru MMWEC to set up energy audits thru HELPS for their facilities which had tenants. He notified Brian S from MMWEC and gave him a list of addresses of state accounts that WERE NOT eligible for such rebates as they were billed under a public authority tariff and not a residential one. The GM was annoyed that the State of MA, with its virtually unlimited financial resources and budgets, would try this maneuver to save about \$1K.

There being no other Open Session business to discuss, on a motion by Chris, seconded by Dana, 2-0 in favor the Light Commissioners' Meeting adjourned at 7:49 p.m.

Respectfully Submitted,



John M. Driscoll
General Manager