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John M. Driscoll, *General Manager*

**Light Commissioners' Meeting
January 4, 2017**

Members present were: Dana Blais, Gregg Edwards, Chris Stewart

Employees present were: John Driscoll, Tom Berry

The meeting was called to order at 7:00 p.m. by Dana.

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

The minutes of October 11, 2016 were approved on a motion by Chris, seconded by Gregg, 2-0 in favor.

Old Business:

(The status of the proposals and/or counter-proposals to/from the TMLWP/the IBEW Local 104 would be discussed later in Executive Session.)

The union grievance issue was nearly settled amongst the two parties at this time. Counsel for the TMLWP and for the IBEW Local 104 would agree on a document to be signed by both parties basically stating that the verbal warning issued to Nick Houston on July 18, 2016 was just that; a verbal warning. It had been the Manager's and the Superintendent's positions all along that the fact that the details of the cell phone incident were put to paper did not change its verbal warning status to written warning status in the progressive discipline world. At some point the TMLWP would need to sign to agree to destroy all written records of the cell phone incident in the TMLWP's possession.

On the AMI System front, David Scott, John and Tom had already begun their respective reviews of each of the six RFP responses from Eaton, Elster, Itron, Landis & Gyr, Tantalus and Verizon Wireless. David was pleased to see that there were so many supposed qualified bidders who had responded to the RFP, since Templeton was a relatively small system. The RFP responses were as follows:

EATON	\$ 853,068	LANDIS & GYR	\$ 866,082
ELSTER	\$ 800,372	TANTALUS	\$ 1,326,747
ITRON	\$ 857,613	VERIZON WIRELESS	\$ 736,174

The Manager pointed out to the Board that the (above) pricing was in no way a declaration of which AMI vendor was to be awarded the bid, and that months of review would now need to begin going through all of the RFP responses to make sure. David and John and Tom would all go through and rate each vendor's bid responses and an average of these three scores would be tallied in a final spreadsheet scorecard. Once this final product was available, the three of them could meet and go through the areas where responses were rated differently. The Manager stated that the objective was to narrow the six vendors down to two and begin independent negotiations to achieve the best overall cost for TMLWP.

On the Battery Storage front, MMWEC had been researching the possibility of using the TMLWP's 1303 distribution circuit as the recipient of 2 MWH of batteries as an answer to the MA DOER's "Critical Care Facilities" grant opportunity. At this time there was no progress to report in the area of any granted funds awarded to TMLWP.

The Manager had re-distributed copies of his proposed 2017 Light Budget from the November 2016 meeting. He had made no changes to this version of the budget and had instead given the Board more time to review it before a vote was taken to approve it. There was some discussion on some line item ups and downs for several expenses in distribution expense and in customer account expense involving the wind turbine, health insurance, retirement and payment of the Town's electricity bills. After some time, a vote was taken as follows:

"On a motion by Chris, seconded by Gregg, 3-0 in favor the Board voted to accept the Manager's proposed Operating Budget for the Light Plant for the Calendar Year 2017 as presented."

Dana – Aye

Gregg – Aye

Chris – Aye

The Manager and the Board had a discussion over what was to be the Light Plant's contribution to the Town for the upcoming FY2018. There was a sentiment to repeat the actions of FY2016 and FY2017 and cover the Town's electricity bills for municipal buildings and municipal/street lighting. The Manager estimated that these two expenses would be around \$45,000 based on FY2017 electric usage, 2017 TMLP electric rates and streetlights. There was some hesitation on the part of the Board that electricity may be being wasted; the Manager did note that overall KWH consumption was up around 8% from before TMLWP was paying but added that THD had added a full-time mechanic since then. Another employee would justify such an increase in electric usage.

Dana expressed interest in doing something for the TFD, perhaps purchasing some needed safety equipment that the Town's current operating budget would not cover. The Manager said that he would get in touch with the (acting) Fire Chief to see exactly what these needs were.

New Business:

The Manager was proposing making some substantive changes to the existing TMLP electric rates (not increases or decreases). He distributed some hand-outs of what he was suggesting to the Board happen to the existing electric rates as it applied to delivery charges and supply charges. Based on 2016 Power Supply Costs thru November, the Light plant was paying 8.9¢ per KWH for wholesale power, of which 6.2¢ was for delivery and 2.7¢ was for supply. The Manager stated that 70% of their costs were now delivery (capacity, transmission) as opposed to just 30% of their costs that were now for supply (fuel). At the moment the Light Plant's rates were nearly opposite of this condition at 35%/65% for delivery/supply. The Manager thought it was time to make the retail electric rates reflect more accurately the wholesale ones. He had prepared a draft electric rate change to the TMLP Rate Schedules A1, C1/M1, C3/M3, C4/M4, N1/N2 and T3/T4.

The Manager insisted that these changes to the six rate schedules would not present significant, if any, changes to the TMLP's customers. He had gone through his own analysis of residential, commercial and industrial customers and had not seen any variances up or down outside of +/-1.25%. He added that there would likely be some form of a rate decrease coming in late 2017 or in early 2018 due to the retirement of the Seabrook Project 6 Nuclear Debt this coming July. At this time a vote took place as follows:

"On a motion by Gregg, seconded by Dana, 3-0 in favor the Board voted to accept the Manager's proposed changes for the Light Plant's electric rate schedules as he had presented them, for the purposes of aligning the Light Plant's retail delivery and supply charges with that of its wholesale deliver and supply expenses."

Dana – Aye

Gregg – Aye

Chris – Aye

The Town had proposed (enacted) changes to its retirees' health insurance and employee contributions. The Selectmen had voted to switch from Medex 3 to Medex 2 for health insurance offered to town retirees; they had also voted to alter the Town's Employer/Employee health insurance premium contribution from 75%/25% to 65%/35% over the next ten fiscal years. Neither the Light Commission nor the Manager had asked the Town to look into this in any capacity, and it had come as a relative surprise. The Manager stated that some of the TMLWP's retirees and/or spouses had already contacted the TMLWP to see what was going on. The Manager had met with the Town Administrator over this to find out if there was a way for the TMLWP to make their own retirees and/or spouses whole over the next ten fiscal years since long-standing agreements had been in place on these retirees, now on fixed incomes.

There would be no problem in producing a monthly or yearly warrant check to these TMLWP retirees to make them whole and keep their health insurance premium contribution level at 25%. The Manager did want an OK from the Board in advance, of course, and added that there was nothing stopping them from making such changes to prospective employees and/or retirees. But making these substantive changes now to existing ones would be problematic. The Board did not object to the TMLWP's handling this issue via the issuance of additional warrant checks in order to maintain the status-quo with its existing 6 (soon to be 7) retirees.

The Manager gave the Board copies of the Light Department Report and Financial Statements from 2015 for the Town's publication of its FY16 Annual Report for their reference.

There were four (4) hand-outs that the Manager had prepared for the Board that did not particularly require any specific discussion:

- October, November 2016 Power Supply
- November, December 2016 Wind Generation
- November, December, YE 2016 KWH Sales/Revenues
- January 2017 Residential Rate Comparisons

There being no other Open Session business to discuss, on a motion by Gregg, seconded by Chris, 3-0 in favor the Light Commissioners' Meeting adjourned at 8:05 p.m.

Respectfully Submitted,

John M. Driscoll



General Manager