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John M. Driscoll, *General Manager*

Light Commissioners' Meeting February 1, 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 January 4, 2017 were approved on a motion by Chris, seconded by Gregg, 2-0 in favor.

Old Business:

The Manager presented to the Board copies of a Memorandum of Understanding (MOU) that had been voted on by LU104 to accept the three basic provisions that had been discussed by both sides most recently during these union contract negotiations:

1. Wage Increase Schedule of 2.5%-2%-2% for 3-20-16 thru 12-31-18
2. Red-Lined Wages for Incumbent Clerk/Secretary for 3-20-16 thru 12-31-18
Reduced Wages for Future Clerk/Secretary for 3-20-16 going forward
3. Reduced Wages for Incumbent Groundman for 3-20-16 going forward

The Manager asked the Board to take a vote to accept the terms of this non-binding MOU between TMLWP and LU104 in order to put aside these items once and for all and focus on getting the next CBA signed ASAP. At this time the Board took a vote as follows:

"On a motion by Gregg, seconded by Dana, 3-0 in favor the Board voted to accept the terms of the existing MOU effective Wednesday, February 1, 2017 having to do with waged increase schedules for incumbent and future employees AND retroactive compensation after Sunday, March 20, 2016."

Dana – Aye

Gregg – Aye

Chris – Aye

The Manager and Superintendent updated the Board on the current status of the RFP process ongoing as it applied to the TMLWP's proposed AMI system. Both John and Tom were still conducting meetings (mostly via conference call) w/ David Scott to narrow the field of qualified system vendors down from 5 to 2. As it stood, Eaton and Landis & Gyr looked to be the most advantageous, but this assertion was preliminary at best. The Manager advised the Board that the best thing to do was to wait till this RFP evaluation process was completed near the end of February 2017. At this time it would be possible to notify the Board who the two vendor finalists were.

There had been no change in progress or status on the battery storage front at this time; MMWEC was actively pursuing the best options for the TMLWP as far as grant opportunities.

On the matter of the TMLWP's contribution to the Town for FY18, Fire Department equipment was discussed. The Manager had gotten in touch with the Deputy Fire Chief (Hamel) and he had claimed to need some IV Pumps and Automated Breathers, both items to be for ambulance use. Dana stated that the town's ambulance service was separately funded thru its third-party billing of insurance companies for patient transport to area hospitals. Dana felt that it would be more appropriate to contribute items to the Fire Department that they could not otherwise acquire on their own thru the town appropriations/budgeting process.

The Manager said that he would re-connect with the Deputy Fire Chief to see if there were other safety-related items that their employees could be in need of that were out of their financial reach at this time. The Board would re-visit this issue at the March 2017 meeting.

The Manager and Superintendent had distributed to the Board a copy of the most recent proposal by RM Wilson Co to settle the matter of a wind turbine work invoice that the TMLWP had previously refused to pay. The Manager stated that they had agreed to accept instead the original quoted dollar amount of \$6,036. The Manager felt that it would be appropriate at this time to settle this matter as he did not know how much additional time (or money) would need to be spent on it otherwise. At this time the Board took a vote as follows:

"On a motion by Chris, seconded by Gregg, 3-0 in favor the Board voted to pay RM Wilson Co the original \$6,036 that they had provided as a price quotation in June 2016."

Dana – Aye

Gregg – Aye

Chris – Aye

The Manager still had not heard back from SZOC Surveyors on any progress on any land survey being performed at the TMLWP property located at 11 ¾ Elm Street. Because the Board wanted to move on from this issue the manager looked to them for suggestions on next steps, not knowing whether SZOC were unable and/or unwilling to perform a full-blown land survey of this property. Dana suggested that the Manager contact Ed Boucher (Royalston, MA) to see if his company may be interested in doing this work. The Manager would go this route and contact Ed Boucher prior to the next regularly scheduled meeting.

New Business:

The Manager gave the Board copies of a letter that he had sent to Congressman James McGovern's office at the US House of Representatives. This letter expressed the TMLWP's concern, on behalf of its electric ratepayers, over the possible doing away of tax-exempt financing for municipalities that could be used as leverage to force the US House to lower federal income taxes (this is all based on MMWEC's speculation on President Trump's possible actions in his first year). The elimination of tax-exempt financing would have a significant effect on municipal light plants as it applied to any future power projects to be taken on. A 30% increase in overall project costs was a likely result in the future. The Manager was unclear at this time if this removal of the tax-exempt status of municipal light plant financing would affect existing nuclear debt on Millstone III and Seabrook I.

The Manager also gave the Board copies of letters that he had sent to Senator Anne Gobi's office (MA Senate) AND to Representative Susannah Whipps' office (MA House). These letters expressed the TMLWP's concern, on behalf of its electric ratepayers, over the Mass DEP's Clean Energy Standard (CES) being proposed to include within the MA municipal light plants. This would effectively subject all of the state's MLPs to the Global Warming Solutions Act (GWSA), and the letter contained a gentle reminder that the Mass DEP did not have the authority to regulate the state's MLPs under existing law. The letter also detailed TMLWP's membership at MMWEC, an entity serving 20 of the 41 MLPs in the state who are currently 46% carbon-free in their wholesale energy resources (TMLWP is 68% carbon-free as of January 2017).

The letter further detailed the vertically-integrated nature of the state's MLPs which make them particularly reliable and resilient to fluctuations in energy commodity pricing. Most of these attributes would necessarily go away if the MLP's expenses had to increase to purchase additional renewable wholesale energy that they neither needed nor wanted.

The Manager updated on the open position of Business Manager at the TMLWP, vacated by Kathy Webster after 32 years of employment. He stated that he had conducted three (3) interviews last week w/ two (2) outside candidates and one (1) inside candidate (Jen Belliveau). The Manager would decide on Friday who to offer the Business Manager position to.

The Manager had received from the Town Accountant the details on the Town's FY18 Worcester County Retirement System (WCRS) assessment for \$433,927. From this figure, the Light Plant's portion was **\$145,582**, or **22%** of the total town assessment. This was an increase to the Light Plant of **\$12,473** or **9.4%**.

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

- December 2016 Power Supply
- January 2017 Wind Generation
- January 2017 KWH Sales/Revenues
- February 2017 Residential Rate Comparisons

Other Business:

The TMLWP had received a letter from Paul Huhtula requesting that the \$4,800 meter deposit collected from him for the new Templeton Dunkin' Donuts building be returned to him. He asked that it be returned or credited to the electric account, whichever was easier, based on the fact that the "building is complete". The Manager did not understand what the level of completion of this new commercial facility had to do with the existence of an electric meter deposit. He explained to the Board that, pursuant to the TMLWP's General Terms and Conditions dating back several years, the Light Plant would charge ALL new commercial electric customers an electric meter deposit based on three (3) months of estimated KWH usage.

His research had demonstrated that the existing Dunkin' Donuts (DD) in Baldwinville had been assessed a \$4,500 in 2013 electric meter deposit based on this process, and this money had been returned to the account holder after one (1) year of electric usage with no arrears. From December 2013 thru January 2017, this particular DD had an average monthly usage of 10,192 KWH or \$1,449. The Manager was trying to make an analogy that three times the \$1,449 of this DD was almost equal to \$4,500. Based on these criteria he did not think it unlikely that a similar DD equipped with a drive-thru lane would use the same or more KWH. As it turned out, the first month of electric usage at the Templeton DD was 4,489 KWH or \$765, having just opened.

The Manager felt that it would be impossible to justify to the MA Department of Public Utilities (MA DPU) the refund of \$4,800 to an electric customer on one side of town while some renters on the other side of town had paid over \$1,000. Further, the renters never got their deposits back till they moved out with no electric arrears; the commercial customers only had to wait a year.

The Board agreed that Paul Huhtula should not be refunded his \$4,800 electric meter deposit till the Templeton DD had been in business for one (1) year without any electric arrears past 30 days.

At this time the Board took a roll call vote to enter into Executive Session as follows:

"On a motion by Gregg, Seconded by Chris, 3-0 in favor the Board voted to enter into Executive Session to conduct strategy sessions in preparation for negotiations with union personnel AND to discuss trade secrets, competitively-sensitive or other proprietary information provided in the course of activities conducted by the Light Plant as an energy supplier under a license granted by the MA DPU pursuant to MGL Ch 164 Sec 1F, when the Light Plant determines that such disclosure will adversely affect its ability to conduct business in relation to other entities producing, selling or distributing electric power."

Dana – Aye

Gregg – Aye

Chris – Aye

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 8:30 p.m.

Respectfully Submitted,

John M. Driscoll



General Manager