



86 Bridge Street, P.O. Box 20, Baldwinville, MA 01436-0020

TEL: 978-939-5323

FAX: 978-939-4309

John M. Driscoll, *General Manager*

**Light Commissioners' Meeting
March 5, 2019**

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

Employees present were: General Manager (GM) John Driscoll
Light Superintendent (LS) Thomas Berry
Business Manager (BM) Jennifer Belliveau

The meeting was called to order at 6:01 p.m. by Dana.

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

The minutes of January 15, 2019 were approved on a motion from Chris, seconded by Dana, 2-0 in favor.

Old Business:

The General Manager (GM) updated the Board on the Battery Storage Project. He GM handed out a copy of the email from the MA DOLR on prevailing wage schedules. He said that the bid notice would be in tomorrow's Worcester Telegram & Gazette and we should very soon be receiving bid packages here. Mike Barrett (PLM) will essentially be project manager of the site and supervise the contractor's work; the TMLWP will oversee anything to do with the interconnect with local distribution. The bid period will be short due to our compressed project completion window; only 2-3 weeks from advertisement to bid opening. Mike Barrett and Jason Viadero (MMWEC) both thought that this was realistic based on the list of prospective bidders that we had. They will both be here for the bid opening. Both Mike Barrett and the GM were expecting a bid amount of about **\$300,000** for the battery storage project site work.

The GM discussed our recently renewed S&P Global Credit Rating of "A-" with the Board. He was surprised to learn that the Town had recently gotten back a bond rating of "AA" from Moody's upon their completion of financial audits for FY2013, FY2014, FY2015 and FY2016. The Town's AA rating was 2 placements higher than the TMLP's A- rating, based on a ratings agency equivalency chart he had gotten from Matt Ide (MMWEC). The GM planned to ask Matt Ide if whether we would be reverting to the Town's new AA Moody's rating or retaining our current A- S&P rating, for the purposes of our ISONE reporting.

The GM discussed TMLP's OPEB Trust Returns with a handout to the Board. There were several graphs depicting both the OPEB Trust's earnings and its progress reaching our UAAL of about \$900,000. He stated that as of March 31, 2019, once we have made our necessary deposit for 2019 of \$43,619 per our FY2018 Actuarial Study, the TMLP will be about 33% funded in our UAAL liability.

The GM and the LS updated the Board on Wind Turbine Maintenance. At this point the TMLP now had opinions from two (2) qualified wind turbine experts that a gearbox failure for us was (essentially) inevitable. The GM wondered if the TMLP were under any sort of legal obligation to notify PURMA of this, since they now insure our wind turbine under the umbrella of all of our other insurances for property, vehicles and liabilities. He had prepared a lot of data to go to Matt Ide so that MMWEC could review what the Light Plant's viable options were at this point. The cost of a new or rebuilt gearbox for our unit could very well prevent our return on investment over the 20-25 year expected generating life of Templeton Wind. The objective was for MMWEC to produce for Templeton Light new pro forma document which is relevant to all of the wind turbine's financial conditions from 2019 and forward, rather than looking back to 2010 when it began operating. The LS had spoken with the other known operators of AAER wind turbines out in California who had recommended our adjusting the wind turbine's maximum output to just 1,000 KW, which was two thirds of its nominal KW output. The GM had agreed to do this, so the LS had made the adjustment. They both expected to see larger capacity factors and less unplanned maintenance outage time with the output capped at 1,000 KW. From a cost-effective standpoint, our best bet would be to go with a new DHHI gearbox unit constructed in China, but this was only if the Light Plant opted to continue its Templeton Wind operation as it had been doing since 2010.

The GM discussed the TMLWP Office Building Carpet Replacement with the Board. There were seven basic areas to be worked on; the GM's office, the LS office, the WS office, the conference room, the copier/printer room, the entrance foyer and the main front administrative office. He was confident that the first four areas could be done without issue during our normal working hours. Once these were done he would work with Horrigan Flooring on the scheduling of the balance of rooms. The GM stated that the entrance foyer portion of the carpet installation will involve a heavier duty carpet, but with nearly the same color pattern as everywhere else.

The GM updated the Board on the MEAM Legislation that was filed on behalf of all of the MLPs back in January 2019 by Bob Rodophele. MA House Representative Tom Golden (D-Lowell) would be our bill sponsor in the House, and once in the Senate we would have the support of MA Senator Anne Gobi (D-Spencer). The GM had sent a letter to MA House Representative Susannah Whipps (U-Athol) asking for her support for the MEAM bill in the House before it goes to the Senate. He thought it could be over a year till there were any updates from Bob Rodophele on our bill; these things take a long time with the formation of committees and the attempts made for amendments.

New Business:

The GM had distributed to the Board copies of the newly calculated non-emitting MWH sales for all the MLPs. This had been put together by Bob Rodophele with the assistance of ENE, MMWEC and all the GMs. Templeton's placement had been knocked down to fifth (5th) place at 70.1% in 2018 from third (3rd) place at 71.3% in 2016 due to the absence of Templeton Wind from our power supply mix for nearly half of 2018. All the MLPs collectively had non-emitting KWH sales equal to 42.7%. (All of the MMWEC MLPs collectively had non-emitting KWH sales equal to 53.6%.)

The GM told the Board that he had once again hired Bruce Leymaster to perform an electric cost-of-service rate study for the Light Plant. The last time such a study was done was in 2013 to establish our 2014 electric rates. Now there was a similar study being conducted in 2019 to establish our 2020 electric rates. The GM noted that there had been considerable reduction in our power supply costs which would tend to drive retail rates down, but there had also been changes made to OPEB and Retirement liabilities which could drive them up instead. The GM thought it likely that these two conditions would offset one another and result in a rate change pretty close to 0%.

The GM discussed the MA Inspector General Report on MLP Sick Time Buy-Back with the Board. He provided some background information to them about the former general manager of South Hadley Electric Light Department, Wayne Doerpholz, receiving a large sum of money for unused sick time. There was a lawsuit involved here, with both SHEL and Doerpholz acquiring legal counsel; this prompted the IG's Office to launch an investigation on the matter of MLP employees and their sick time benefits at retirement. The GM was happy to report that the TMLP did not make the list, as they were among those MLPs whose retirees over the IG's sample period retired with less than \$5,000 in unused sick time compensation. He provided a graphic to them illustrating that Taunton, Reading and Westfield had the top three spots for paying out the most money to employees over the sample period at retirement. Of the roughly \$10,000,000 in unused sick time compensation paid out to 39 MLPS, nearly \$5,000,000 of this was paid just to Taunton, Reading and Westfield. The Light Plant caps its employee sick time buy-back at retirement at 200 hours, so we would never be in a situation like these three MLPs are in.

The GM discussed with the Board the recent Berkshire Wind Power Cooperative Corporation Board of Directors appointment, Jonathan Blair of Ipswich. The Board of Directors consists of President Peter Dion-Wakefield, Chairman John Driscoll-Templeton, Director Jonathan Blair-Ipswich, Director Sean Hamilton-Sterling and Director Ron DeCurzio-MMWEC. Wakefield, Ipswich and Sterling have all opted to participate in Berkshire Wind Phase 2, an expansion involving two more wind turbines at 2.3 MW each for a total of 4.6 MW. Templeton did not participate in Phase 2 since we already have 822 KW of Berkshire Wind Phase 1, 1,650 KW of Templeton Wind and 666 KW of Hancock Wind.

The GM had a handout for the Board on the Light Plant's FY2020 Contribution to the Town. The Town Administrator, Carter Terenzini, had previously sent over some requests. The GM explained that our paying of the Town's electricity bills was being lessened over the next few fiscal years. In FY2018 we paid 100%, in FY2019 we are paying 80%, for FY2020 we would be paying 60%, etc. Dana asked when the Town needed an answer on this; the GM said that they would need to know before the ATRM was posted since the PILOT amount is a warrant article item that the voters would have to accept or reject. Chris asked why they needed more SCBA tanks, as by his count they had gotten over 30 in the past 2 years. The GM said that although Templeton only has a few full-time firefighters, they still need to equip any part-time or volunteer firefighter aiding them during fire events. It also appeared as though the Light Plant was being asked to purchase a new DPW vehicle in its entirety, which confused him. He would reach out to Carter before the next meeting for clarification.

Chris asked about the status of our Truck #23, as far as our replacing earlier than the usual 10-12 years that we'd get out of such an aerial lift vehicle. The LS said he had gotten an estimate from Kiley to remove the existing aerial lift body from the International cab & chassis and re-install it on a new Freightliner cab & chassis. The Light Plant could purchase a new cab & chassis for about \$80,000 to do

this but Kiley claimed it could cost almost that (\$80,000) to do this removal/installation from the International to the Freightliner. The LS summarized that we'd be looking at \$160,000 for an aerial lift that would now be 8 years old, and the GM and LS both had warranty concerns on the aerial lift. We did not feel as though Kiley would offer any kind of warranty beyond 6-12 months. The GM did say that as far as Light Plant vehicle purchases for 2019, the only one on our radar was the LS's Truck #29. His existing vehicle is a 2012 Ford F-150, now 7 years old, and we could get a new half-ton unit from Liberty/Mirak or MHQ for about \$31,000. The LS would be getting a quote for this truck in the next few months.

Other Business:

Steve Drury from #18 Drury Lane was in attendance for tonight's meeting. He had some questions on how/why he was being billed the additional monthly customer charge of \$12.95 for his non-AMI meter opt-out request. The GM explained (again) to Steve that the higher customer charge will always be present unless or until he opts in and agrees to have an AMI meter, but the \$125 charge for the actual non-AMI opt-out meter is a one-time charge. Steve had said previously that he could not come up with the extra \$125 needed for the special meter charge, so the GM had offered him a payment plan option where Steve could pay \$10.42 monthly in addition to his regular bill for one year and pay for the new meter this way. The GM again explained that the Light Plant had to send a lineman to his residence twelve times a year and he lived about 5.5 miles from our office. It would not be right to be driving 132 miles per year for one Templeton customer while those who are only paying the \$3.75 monthly customer charge do not require such a monthly visit. The GM added that this charge only covers our extra expenses involved in performing this service for Steve, as it should, and we have no margin on the extra \$12.95. By design it is meant to make us whole in operating costs, nothing more. At the end of the GM's explanation Steve seemed satisfied with the TMLP's response.

The Manager had five handouts tonight:

1. FY2018 Annual Town Report information
2. December 2018/January 2019 Power Supply
3. January/February 2019 Wind Generation
4. January/February 2019 Kilowatt-Hour Sales/Revenue
5. February/March 2019 Electric Rates

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 7:09 p.m.



Respectfully Submitted,
John M. Driscoll