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John M. Driscoll, *General Manager*

## **Light Commissioners' Meeting June 16, 2015**

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, 3-0 in favor.

The May 6, 2015 minutes were approved on a motion by Chris, seconded by Gregg, 3-0 in favor.

### **Old Business:**

The Manager updated the Board on the status of the 2014 Light Financial Audit being performed by Goulet-Salvidio. They had filed several extensions with the DPU on our behalf for the annual report due to the DPU by March 31, 2015. The Light Plant's deadline for this report had now been extended to **June 30, 2015**. The Manager reported that he had just received the final draft of the financial statements for 2014 hours before this meeting. He noted that he had only switched from Braver to Goulet-Salvidio to get the financial audit done quicker; thus far this had not been the case. The Manager thought the only explanation for their taking so long was the Light Plant taking so long to get on board with the new auditing firm. To his knowledge about a third of the light plants in the state were currently utilizing their audit services and Templeton was one of the last to get on board.

The Manager had prepared for the Board a summary of the Light Plant's revenues for 2014 as it applied to over-collection related to operational expenses. He commented that 2014 had been much tighter between expenses and revenues due to the adherence to the electric rate study than it had in 2013. As an example, the average electric bill in 2014 looked to be an over-collection of **\$0.17** as opposed to **\$1.41** in 2013. The Light Plant's net revenue for 2014 was only **\$7,346** as opposed to **\$59,977** in 2013.

The Superintendent had communicated with Dave Columbo several times over his results for the Light Plant's Arc Flash Study. In short it looked as though the FR clothing rating for the operations personnel was going to need to at least double from 4 to 8 calories per square centimeter. Additionally, some supplemental FR clothing with higher ratings for enclosed space and substation work would have to be included as well. Both the Manager and Superintendent felt that the clothing allowance for the operations personnel would likely have to double as a result of Dave Columbo's findings in the study. Gregg made a recommendation that there be a new policy drawn up to be adhered to within the union contract which was representative of these new changes to the FR clothing practices in the industry. The Superintendent stated that he would work on one in advance of the July meeting.

The Manager made a proposal to the Board that they consider at some point implementing a solar capacity limit in Templeton. It was the Light Plant's right to allow or dis-allow the many types of solar generation facilities that could be installed at the residential or commercial level in town. The Manager stated that the installation on Farnsworth had met 23.73% of the Light Plant's installed capacity requirement of 12,851 KW at 3,050 KW. Other smaller solar generation facilities in town included 5.3 KW at the office here and another 77.4 KW of residential solar generation installed or to be installed before year's end.

The Manager added that all of the solar electricity that it purchases through net metering from interconnected residential solar customers costs roughly 11¢ per KWH; this is compared to the 6¢ per KWH the Light Plant is paying for the electricity generated on Farnsworth Road till the year 2034. The Light Plant is paying a hefty premium for all of this surplus residential solar electricity that it does not even need. Gregg said that possibly the net metering regulations in place at the state and federal levels may prevent the Light Plant from simply stopping payments to its customers for surplus solar electricity. The Manager stated that he would look into it further and added that most of the municipal light plants had already put a solar cap into place.

### **New Business:**

[The discussion on any changes to be made for the clothing allowances for the operations personnel was basically covered during the Arc Flash Study portion of this meeting under Old Business. In general the Board, the Manager and the Superintendent agreed that more money for the clothing allowance in the next contract would be necessary to adhere to the newer arc flash safety regulations.]

The Manager had distributed copies to the Board of the Light Plant's OPEB Trust held at MMWEC detailing its return performance from February 2014 thru May 2015. Based on an average balance during this time frame of \$31,602.69 the OPEB Trust had returned \$2,350.35 which worked out to 7.44%. The Manager then reminded the Board that MMWEC had promised a 4-7% return on this blended trust fund and the returns had already exceeded their projections. The Light Plant was on a 17-year trajectory to being fully funded for its OPEB obligations if it agreed to deposit another \$40,000 into the

OPEB Trust this year as long as the fund performance warranted such a deposit. The Board agreed that it had so a vote was taken as follows:

*"On a motion by Gregg, seconded by Chris, 3-0 in favor the Board voted to transfer \$40,000 from the Light Plant's MA Reserve Trust held at MMWEC into its OPEB Trust also held at MMWEC."*

The Manager gave the Board a quick report on just what had happened at MMWEC over their election to go with different general counsel than that of Nick Scobbo who they had been using for 20+ years. The MMWEC Board had voted at their annual meeting in May 2015 to appoint Peter Barry from Springfield as general counsel for MMWEC for 1 year. The Manager added that he and several other municipal light plant managers, including 2 on the MMWEC Board, had reservations about this new path that MMWEC was now taking. This firm from Springfield had not had any experience in the past working in the electric energy industry and there were concerns that mistakes could easily be made in the ever-changing electric energy industry.

The Manager did add that Nick Scobbo's legal services would still be retained by MMWEC for the purposes of the cooperatives, any ongoing or forthcoming litigation and/or the new pooled financing program. The Manager would still be working with Nick Scobbo through his involvement with the two wind cooperatives that the Light Plant were in, Berkshire Wind and Templeton Wind.

There was to be another Senior Luncheon at the Baldwinville Legion on Friday, June 19, 2015 at 11:30 a.m. The Manager had been in contact with both the Council on Aging and RF Gouley Co. to make sure that this year's event took place without any missteps. The Light Plant had agreed to cover the cost of the pizza, the soda and any paper products necessary to have the luncheon.

The Manager had done a report for the Board on the Light Plant's Renewable Power Supply Resource mix for 2015 (thru April 30, 2015). In the first third of the calendar year Templeton had been 23.40% renewable with 7.62% wind, 8.40% hydroelectric, 2.77% landfill and 4.61% solar. The Light Plant was well ahead of the state's green energy initiative to be 20% renewable by the year 2020 and had actually already met its obligations almost 5 years in advance of the deadline.

Copies of the May 2015 electric sales summary were given to the Board by the Manager. It had been a pretty cool May in general and the average residential bill had only been for \$80.52 for 589 KWH. Electric sales were down 4.14% from May 2014 versus May 2015 and they were down 2.56% for the first 5 months of 2014 versus 2015.

There were six (3) hand-outs that the Manager had prepared for the Board that did not particularly require any specific discussion:

- April 2015 Power Supply
- May 2015 Wind Generation
- June 2015 Residential Electric Rate Comparisons

At this time the Board took a roll-call vote in the Open 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 non-union personnel and/or conduct contract negotiations with non-union personnel. The Board would re-convene in the Open Session only for the purpose of adjournment."*

*Dana – Aye*

*Gregg – Aye*

*Chris – Aye*

There being no other Open Session business to discuss, on a motion by Chris, seconded by Gregg, 3-0 in favor the Light Commissioners' Meeting adjourned at 10:00 p.m.

Respectfully Submitted,

John M. Driscoll



General Manager