

Middleton Electric Light Commission
Meeting Minutes
January 24, 2018

The following individuals were in attendance:

Frank Twiss, Chairman
Chuck Clinch
Tim Houten
Jim Kelley
Jim Carbone
Michael Cloutier, Manager

Chairman Twiss called the meeting to order at 5:03PM.

Approval of Agenda:

Motion:

Tim Houten motioned to approve the agenda as written. Chuck Clinch seconded the motion. Motion carried 5-0.

Approval of Minutes:

Motion:

Tim Houten motioned to accept the minutes of December 20, 2017 as written. Jim Kelley seconded the motion. Motion carried 5-0.

Financial PPA:

We are tracking very well. We are financially healthy. Funds down about \$900K due to the \$1 mil withdrawal for the ROW but we are still making money. We are about \$500K higher in rate stabilization. Cash position is about \$500K low also due to the ROW purchase. Profit and loss on income is doing well. Merchandise/Jobbing Expense account is showing a negative due to St. Thomas expenses paid for wages, travel and other associated expenses. We have received all three payments from Florida and the first payment from St. Thomas. There are two more payments due from St. Thomas. YTD interest income is \$300K more than 2016. Our overall profit is quite a bit higher than it was last year. Mr. Cloutier will be requesting \$300K to fund OPEB and about \$200K to \$300K to be moved to prepaid accounts to offset future power costs. Trucks are all back from St. Thomas. The pickup truck was billed for about \$30K and the bucket truck for about \$60K so any needed repairs will be offset.

The power sheets show that cost per KWH is slightly lower than 2016. The total PSA billings are about \$1 mil lower than 2016 because of the \$1 mil refund we got from Seabrook and other nuclear bonds. We took \$873K from the Seabrook bond and applied the balance to prepay Seabrook. This is why Seabrook's numbers are lower. Total costs were \$0.099/kwh which are

slightly higher than the 2016 charges of \$0.098/kwh. We purchased 90,997,511 KWHs YTD compared to 92,382,000 KWHs in 2016.

Manager's Report:

The URD Street lighting is being installed; of the 275 purchased we have put up 222. There were 12 failures and we have 41 more to install. We will not purchase the remaining 46 from the Remphos order. We are looking for a more streamlined and reliable light. We are getting a sample delivered and if it fits we will purchase. We will also be saving \$70 - \$75 on each fixture. There have been no failures with the Evaluma lights that were installed in July. Ryan questioned the Town's street light bill as it was about \$10K higher than expected. Mr. Cloutier explained that because of the Remphos delays the lights were not installed and we had to buy the energy to run the existing lights. Ryan stated the Town did not have the money to pay the bill. Mr. Clinch suggested we take the amount off the "in lieu of tax" number. Ryan also asked about the "in lieu of tax" amount the year and Mr. Cloutier told him it should be about the same as 2016 (\$204K) but there was no guarantee.

A new rack truck was purchased today. We requested quotes from several Ford dealers and Stoneham Ford had the best quote. It is a F550, B-10, dump rack body with steel floor and higher steel rack sides for \$43,145. The up-fit of dump body, plow and tow package is being purchased from a separate company for \$15,235. A \$5,900 trade-in was given for the old truck. The truck should be delivered in the next few weeks. We are now pricing out a single rail trailer with a take-up on it for about \$25K. We also purchased a used trailer from Holyoke and we got both for about \$8K less than a new trailer would have cost. Next we will be obtaining numbers for a digger truck and a bucket truck.

Garage lights are going to be replaced. There are 15 lights at a cost of \$300 each. Our payback will be 3 ½ years on what we will save for the energy and capacity charges.

Mr. Cloutier would like to move \$300K into OPEB. As the Commissioners are the trustees, a vote is requested.

Motion:

Mr. Houten made a motion to move \$300K to OPEB. Mr. Clinch seconded motion. Motion carried 5-0.

APPA rally in Washington, DC is scheduled for February 25th to 28th.

Annual MEAM meeting in Plymouth is scheduled for May 17th and 18th. Let Mr. Cloutier know if you are interested in attending.

There are no updates to report on the rail trail. Our lawyer is drafting easements for the overhead wires as they come into Hathorne substation and then underground to Hazen Avenue to be presented at the Danvers Town meeting. They are still trying to clear the title on the three parcels that were removed from the ROW purchase.

Mr. Cloutier included an updated Design Selection Procedure in the Commissioners' packets. We will follow these procedures for any design projects. Mr. Cloutier is looking for an architect for an overhang on garage. It would be 32' wide and span the garage. The 1994 plans will be used as a basis.

Motion:

Mr. Houten motioned to accept the Designer Selection Procedure. Mr. Clinch seconded motion. Motion carried 5-0.

Mr. Cloutier signed both the PPA and the Interconnection Agreements for the solar project. Developer expects to have the contractor on the site by February 15, 2018 and have the posts in the ground by March 1, 2018. We have ordered the recloser and primary meter package. Mr. Cloutier is looking at Energy New England for battery storage. We are still looking at the pricing as the revenue comes from our savings on transmission and capacity. Ideally we will have something chosen by June 1st which is the new capacity period. The batteries may also be eligible for a 30% investment tax credit under green energy. We need to get the Community Solar Program set up. Mr. Cloutier has already met with MIT. They have a one page document for us to sign stating that they may opt out at any time. They also did not want their name used in any advertisements. They were interested in purchasing the renewable energy credits but this would have to be done with the developer. The ideas for signup include the "Notify Me" service in Town, signup displays around Town and the MELD website. Another incentive would be for us to donate \$5 to Town non-profit organizations (Council of Aging, Sports Leagues, PTA, Friends of Flint Library etc.) of their choice for the first 400 signees. This may initiate help from these organizations to encourage enrollment for the donations. We are looking to generate energy by summer.

Manager's Review:

Mr. Cloutier presented a proposal from Flynn Financial for a Key Person Incentive and Retention Program. Mr. Cloutier stated this would incentivize him through some short term payments and then lock him in with a long-term program. MELD would still own program if he leaves but it would revert to Mr. Cloutier if he completes the contract time. Should an untimely death occur MELD would get \$1 mil and Mr. Cloutier's heirs would get \$1 mil of the benefit. It was agreed that the Commissioners would review and discuss at the next meeting.

Next meeting: February 21, 2018.

Motion:

Mr. Kelley made a motion to adjourn at 6:20PM. Mr. Houten seconded motion. Motion carried 5-0.

Respectfully submitted,

**James Carbone
Clerk**