

**MINUTES OF THE  
MUNICIPAL LIGHT BOARD MEETING  
January 10, 2017**

**PURSUANT TO** notice given, the Merrimac Municipal Light Board (“Board”) met in the Municipal Light Department’s (“MLD” or “Department”) Administration Building, 10 W Main Street, at 4:00PM.

**PRESENT**

Those present included Commissioners Norman Denault, Larry Fisher and Paula Hamel, MLD’s General Manager Francisco Frias, and Office Manager Julie Hart. Also attending was DPW Director Bob Sinibaldi and the Chairman of the Board of Selectmen Harold Lloyd. Later, during the meeting, Superintendent Tom O’Connor joined the meeting.

**MEETING START**

Motion was made and accepted to bring the meeting to order at 4:01 PM.

**APPROVAL OF MINUTES**

Commissioners voted 3-0 to accept the December 13, 2016 and January 3, 2017 Minutes as written.

**GENERAL MANAGER’S ITEMS**

**Interdepartmental Expenses and Policies:**

DPW Director Bob Sinibaldi and Chair of Board of Selectmen Harold Lloyd were going to be attending this meeting to ask if something could be done to lower the estimate the Water Department received from the MLD for the electrical upgrade needed at the new water pump station on Attitash Avenue. Additionally, a discussion on how other departments handle labor expenses of this nature was going to be held. The estimate provided included \$30,283 for materials and \$37,730 for truck and labor costs to upgrade the distribution system on Attitash Avenue. Upgrading the distribution system to 3-phase is necessary in order to accommodate the Water Department’s new 3-phase booster pumps. Currently, there is only single phase power around that location. The General Manager (“Manager”) informed the commissioners that he asked the Town’s Finance Director Carol McLeod how other departments handle labor costs when working for another department and was told that the department requiring the work pays for the labor of the department assisting. Commissioners indicated that, when it comes to services, the Light Department should be treated like everyone else, especially considering that the DPW needs a substantial cost reduction for this work.

**Financial Information:**

Manager reviewed the forecasted versus the actual financial results for the month of November. The Department saw a total Net Gain in Income of \$7,292. Included in the Financial Information portion of the Board package was the Comparative Operating Statement for the previous year and the current year. Also enclosed was the spreadsheet for November’s ending balances.

**Distribution Reliability Quarterly Report:**

Manager presented the Reliability Report for the 4<sup>th</sup> Quarter of calendar year 2016, which shows the number of outages sustained, how many customers were affected during each outage, and how long the outages lasted. During the 4<sup>th</sup> Quarter there were five outages, four of which were caused by trees issues and the fifth was caused by a car accident. Last year, during the same period, the Department also had five outages. The report indicated that 99% of the customers who experienced an outage this quarter were restored within one hour. During the fourth quarter of 2016, the MLD had 2,907 customers experience an outage, compared to last year when 160 customers experienced an interruption. The reason for the high number of customers interrupted this quarter was because the whole town experienced an outage due to NGrid issues with one of our supply lines coming into town.

The MLD's SAIDI for the quarter was 32.2 minutes compared to 10 minutes last year. The SAIFI was 1.0 and CAIDI was 31 minutes. The Reliability Report helps the Department see what areas of Town need attention. Circuit 4 had the majority of outages, and moving forward, as a result of Circuit 2 being in the process of conversion, most outages will be involving the circuits out of the Mill Street Substation. There is no longer a Circuit #1 and the crews are working on converting Circuit 2 to a higher voltage, in preparation for the Burnside Street Substation upgrade.

**Truck #3 Issues and Replacement:**

Truck 3, the MLD pick-up, is having engine problems that can be repaired, but the problem will keep reoccurring. The 14 year old truck needs to be replaced instead of throwing money into repairs. Liberty Chevrolet and MHQ have the State contracts for Chevrolet and Ford, respectively. The Department would be looking at a cost between \$45,000 and \$50,000 for a new diesel truck, similar to what the Department has. Commissioners discussed buying a gas engine instead of diesel to save money on the purchase and the fill-ups. Manager will get a price on both.

**DPW Director Bob Sinibaldi and Selectmen Harold Lloyd:**

Commissioners, Manager, DPW Director Bob Sinibaldi and Selectmen Harold Lloyd discussed setting up a town policy stating that while doing small jobs during regular working hours, there will be no charges for labor when one town department is working for another town department. After hours labor charges will be paid by the department requiring the work. This policy will exclude Capital projects.

To avoid the problems we are seeing with the Water Pump Project on Attitash Ave., all departments should be involved in the pre-construction meetings so the cost of labor for Capital projects can be built into the cost of the project. To upgrade the lines going to the Attitash Booster Pump Station, the Manager estimates 25 days of labor to bring 3-phase from Rte. 110 to the new station at the end of Attitash Ave. The Commissioner agree to cover the cost of labor this time, in addition to the truck expenses, to help out the Water Department, but for all future Capital projects, the materials, labor and truck costs should all be built into the total project cost. Additionally, the Board wants the topic of the \$10,000 cash payment to be put to rest at least for the next 10 years. The MLD will continue giving this amount for PILOT to the Town.

Selectmen Lloyd is asking both the DPW Director and the MLD Manager to send him suggestions on what they want to see in a Memorandum of Understanding. He will then put both together as one before discussing the matter with the rest of the Selectmen. He considered the proposal of the MLB

fair considering the expenses the MLD was willing to absorb as a result of the work needed for this project.

**North Shore Bank Depreciation Account:**

After reviewing the low interest the Depreciation Fund is getting at the North Shore Bank, Manager would like to bring a financial investment institution to discuss moving some of our Depreciation funds into investments. The Department will keep enough money at the North Shore Bank to cover upcoming Capital expenses such as new vehicles and the line upgrades. Board agreed that it was a good idea to bring in a representative for a presentation.

**OTHER ITEMS:**

**Tangent Energy Systems Update:**

Tangent Energy Systems (TES) has begun the engineering needed to determine if the Department can install a permanent generator next to the Mill Street substation. They will present the project engineering and financial analysis at the March Board Meeting. If permanent unit cannot be installed for the summer of 2017 they will propose a temporary unit.

**Newsletter:**

Manager will be sending out the Winter Newsletter with the February 1<sup>st</sup> bills.

**Executive Session:** Board voted to go into Executive Session at 6:00PM to discuss personnel matters and Manager's compensation. Board voted to come out of Executive Session at 7:33PM and end the public meeting at 7:35PM.

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Light Commissioners