

**MINUTES OF THE
MUNICIPAL LIGHT BOARD MEETING
February 11, 2020**

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 3:30 PM.

PRESENT

Those present included Chairman Norman Denault, Vice-Chair Paula Hamel, Secretary Larry Fisher (joined after Item 2 of the agenda), and MLD’s General Manager Francisco Frias.

During Item 2 of the Board Meeting agenda (“Agenda”), Dorothy Whiting, who resides at 22 Veterans Way and her two daughters Connie Haberkern and Debbie Jones, joined the meeting.

During Item 4 of the Agenda, Jeffrey R. Pery, from New England Battery Storage, joined the meeting.

During Item 5 of the Agenda, Jim Weikert from Power System Engineering, Inc (PSE) joined the meeting. Additionally, Tom Asp, also from PSE, joined the meeting via conference call.

MEETING START

A motion was made and accepted to bring the meeting to order at 3:35 PM.

APPROVAL OF MINUTES

Commissioners voted 2-0 to accept the January 14, 2020 Board Meeting Minutes as written.

GENERAL MANAGER’S ITEMS

22 Veterans Way Billing Discussion:

Dorothy Whiting, from 22 Veterans Way, came to the meeting accompanied by her two daughters Connie Haberkern and Debbie Jones. The reason for their attendance was to discuss the letter and billing spreadsheet (All attached with Minutes) the General Manager (“Manager”) sent to Ms. Whiting, indicating that since the condominiums at Veterans Way were built, Unit #18 was paying for the energy usage of Unit #22, and Unit #22 was paying for the energy usage of Unit #18. This was a result of the mislabeling of the electrical services done by the project’s electrician, back in 2008. The issue was discovered after Unit #18 was sold, and the new owner questioned her usage. She contacted the Department on January 10th, and a crew was sent to investigate the issue and test the meter on January 14th. The meter supposed to be servicing Unit #18 was unplugged for testing; however, the power did not go off in this unit. At that point, the MLD’s crew plugged the meter back, and the Condo Association was made aware of the situation, so they could contact an electrician to confirm the mislabeling of the services. The Condo Association for Veterans Way contracted the services of an electrician, and they confirmed that the labels, on the meter bank, for Unit #18 and Unit #22 were reversed. As a result of all of this, and after calculating what each unit was supposed to pay for the correct usage of electricity, it was determined that Unit #22 was under billed and Unit #18 was over-billed. Ms. Whiting informed the Board that she moved to the unit in good faith, not expecting any issues with the electric service. She and her daughters believe that the electrical inspector did not do

his job inspecting the electrical services, and because of that, Ms. Whiting should not be responsible for the under-billed amount. The Manager explained what is required for the Department to install a meter and how it relies on the work of the electrician and the approval of the electrical inspector before installing a meter. Connie Haberkern indicated that the MLD received its money from all customers involved in the issue, and as a result should stay out of the financial dispute. They consider this dispute to be between the customers affected. Furthermore, they said that who knows if they pay the under-billed amount and then the MLD is not able to find the customer that was over-billed, and ends up just keeping the money without giving the other side what is owed to them. The Manager informed them that as of Friday the MLD was able to get a phone number and the address of the resident who used to live at Unit #18 and is in the process of sending her a letter to inform her of the situation. Debbie Jones inquired about what grounds the Department had to try to back bill the amount in question and if there was a statute of limitations that applies to this situation. The Manager informed them that he contacted an attorney before sending the letters out, who indicated that based on past cases that were settled in court, the Department has grounds to recuperate the money but also is responsible to reimburse the customer that was over-billed. Debbie Jones asked the Manager to send her and her mom, the legal opinion from the Department's attorney. The Manager requested her address, and after providing this address, they left the meeting. The commissioners told the Manager to send a note to the head of the Building Department, letting him know about this situation and how this customer believes the Electrical Inspector did not do his job and is responsible for the problem. Commissioner Hamel said that she was going to recuse herself from any vote of the Board on this matter because one of the daughters is a business customer of her son. The Manager will share with the commissioners the legal opinion from the attorney once he receives it.

December 2019 Financial Information:

The Manager asked the Board if there were any questions regarding the financial information for December 2019. The Department saw a total net loss of \$36,756 compared to a forecasted loss of \$136,889. The Department completed the year with a net income of \$592,391, which includes interest gained in different accounts.

New England Battery Storage Presentation:

Jeffrey Perry from New England Battery Storage came to the meeting to do a presentation about his company and also the potential of installing a system within the MLD's territory. He talked about the high cost of transmission and capacity and how an energy storage solution would help reduce those costs without any upfront cost from the MLD. He believes the site next to the Mill Street substation would be a good location for the installation, because of zoning and proximity to interconnection circuits. They are currently working with the electric municipality of Pascoag, RI, and are very interested in working with the MLD. Their solution is based on a shared-savings agreement and they work with Energy New England who predicts the peaks for them. When asked about how battery storage would work with the Tangent generator the MLD has in the system, Mr. Perry said that it will be essential for Tangent and whoever does the charging and discharging of the battery system to connect to get the maximum benefit of both systems working together. The Board and Manager thanked Mr. Perry for coming to the meeting. The Manager informed the Board that he has another company that submitted a proposal but still needs to look at the site. The Board and the Manager will discuss during the next meeting to determine the direction the Department will take.

PSE Fiber Optic Project Presentation:

Jim Weikert from PSE came to the meeting to do a presentation on fiber optic deployment. Tom Asp also from PSE participated in the presentation via phone conference. The MLD is looking into the possibility of installing fiber to interconnect municipal buildings and for other business purposes. There are several unknowns regarding how major broadband providers will utilize emerging technologies to provide broadband service, however, fiber is very versatile and can be used as the backbone of some technologies. PSE discussed two proposals, one mainly focused on the fiber interconnection of municipal buildings, and the other one extending further to include Fiber to the Premise (FTTP). The commissioners and the Manager thanked both Mr. Weikert and Mr. Asp for presenting. The Department has other companies that will be providing proposals and then will decide on how to proceed. The Commissioners agreed to invite the Chair of the Board of Selectmen to come to the next meeting to discuss the Town's need for fiber. The Manager will also be reaching out to other companies.

Light Up Navajo II Project Update:

The Manager informed the Board that due to disability coverage issues with the retirement board, this effort was canceled. The retirement systems, representing the electric systems that wanted to participate in this project said that if injury or death occurred while working out there, they would not be covered for benefits. This effort was being led by NEPPA who got a legal opinion and then decided not to pursue this further because systems were not willing to take the risk.

MMLD 5-Year Financial Forecast:

The Manager presented the Five Year Financial Forecast (Attached with Minutes), which shows a picture of the projected financial status of the MLD from 2020 through 2024. The Manager started by discussing the forecasted revenue for the mentioned years followed by the forecasted KWH sales. The 2020 Operation Revenue is forecasted at \$5,026,396 and ending in 2024 with revenues at \$5,056,585. The Operating Expense Forecast was discussed and expected to go from \$4,830,053, in 2020, to \$4,673,137 in 2024. The Projected Net Income for MLD is \$196,343 in the budget year 2020, \$249,413 in 2021, \$250,626 in 2022, \$420,502 in 2023 and \$383,448 in 2024. The Manager informed the Board that while transmission costs are still going up, Capacity continues to go down. The Department is in very good standings financially, and the forecast does not take into consideration the possible reduction of power costs through the implementation of a battery storage system.

General Manager's 2019 Objectives Update:

The Manager reviewed with the Board, his objectives for the Year 2019.

1.) Office Remodeling Project: Completed. The Department is now working with an architect who is working on a design to make the office space more secure and accessible to the public. He is also working on designing a conference room, for future Board meetings, at the Garage & Warehouse located at 20 Federal Way.

2.) Comcast Pole Attachment Rate Negotiation: Postponed. The Manager decided to postpone negotiations of pole attachment fees with Comcast until other municipal light departments in the area settle negotiations with them. This will give the Department a better idea of what cost per pole to target.

3.) Increase Light Department P.R. & Branding: On-Going. The Department has been able to increase the number of people following the page on Facebook. The Department now has a custom made canopy with the Department's name and logo, which was first used during the Christmas Tree Lighting event. Many participants of this event did not know that the Light Department was the main

sponsor of the event and were very pleased. The Department will continue working on getting more public exposure by participating in events in Town.

4.) 2019 DPU Report: Completed. The 2019 DPU Report has been completed and submitted to the Department of Public Utilities (“DPU”).

5.) Fiber Installation Opportunities: On-Going. The Department has received multiple proposals and will continue looking into this opportunity to determine if it is viable.

6.) OSHA Department Compliance Preparation: Completed. The Department had a safety audit of Garage & Warehouse done by an insurance representative to address issues that could be considered an OSHA violation. The Department also had a company come to do a field safety audit, which was very successful and helped us determine areas of improvement.

7.) 5-Year Financial Forecast and Capital Plan: Completed. The Manager updated the 5-Year Financial Forecast and completed the FY2020 Capital Plan.

8.) 23 kV System Sectionalizing Project: Completed. The Manager had this design implemented in the 23 kV distribution system and is now operational. This scheme will reduce the number of customers out in the Town, in the event we were to have issues with the 23 kV lines going to the Mill Street Substation.

9.) DOER Solar Grant Program: Completed. This program is well established and two customers have received rebates from it. The Department will continue promoting this program to make sure residents take advantage of it.

10.) Battery Storage Feasibility Study: Completed. The Department is in conversations with multiple battery storage developments. It is clear that the best option is to partner with a developer that would do the installation at no cost to the MLD. These partnerships are typically structured as a shared-savings arrangement, similar to the Tangent Generator agreement.

Other Items not available at the time of Agenda posting:

Elderly Resident Streetlight Request:


The resident of 20 Orchard Street sent a letter to the Department (Attached), requesting a streetlight to be installed on Pole #52/7 to have better lighting. Commissioner Fisher indicated that it is very dark there and Commissioner Denault said he was going to be taking a look.


Line Superintendent Retirement:

The Manager informed the Board that Line Superintendent Ken Buzzell has reached retirement age and also the number of service years necessary to retire. He informed the Manager that he is planning on retiring on July 1st of this calendar year. Commissioners are grateful for the many years of service Ken has provided to the Town, in his various roles through the years. The Manager will request a formal letter from Ken so the Department can start analyzing how it will proceed in anticipation of his retirement.

The meeting adjourned at 7:07 PM


Chairman


Secretary


Vice Chair