

**MINUTES OF THE
MUNICIPAL LIGHT BOARD MEETING
February 19, 2019**

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 Larry Fisher, Vice Chair Norman Denault, Secretary Paula Hamel, MLD’s General Manager Francisco Frias, and Office Manager Tara Aniello.

MEETING START

A motion was made and accepted to bring the meeting to order at 3:34 PM.

APPROVAL OF MINUTES

Commissioners voted 3-0 to accept the January 8, 2019 Board Meeting Minutes as written.

GENERAL MANAGER’S ITEMS

December 2018 Financial Information:

The General Manager (“Manager”) asked the Board if there were any questions regarding the financial information for the month of December 2018. The Department saw a total net loss of (\$201,931.00), compared to a forecasted net loss of (\$190,562.00.) A contributing factor to lower than the expected outcome is the investments. Also enclosed was the spreadsheet for December’s ending balances.

Firstlight Hydro Project Opportunity:

The Manager notified the Board that Energy New England started negotiating with FirstLight Power Resources (“FirstLight”). FirstLight has two hydro plants in Connecticut that are both along the Housatonic River in Southwest Connecticut. The original discussed price was \$52.34 per MWh, but the price they settled on after the final negotiation meeting was \$52.75 per MWh. The Manager informed the Board that even at the latest price, this was a good deal for a green resource and if there weren’t any objections from the Board he was going to continue moving forward with the deal.

Greenhouse Gas Emission Standards for MLP’s (HD3054):

The Commonwealth of Massachusetts continues to talk about greenhouse gas emission reduction standards for municipal light plants (“MLPs”). The importance of reducing greenhouse gas emissions is of importance to MLPs, and to accomplish this they are proposing legislation to set reduction goals of 7% by 2021, 40% by 2030, 60% by 2040 and 80% by 2050. MLPs believe that because of how their power portfolios are structured, it is better to propose legislation that is sensitive to long-term power contracts already in place but moves them forward to emission reduction. The Municipal Electric Association of Massachusetts (“MEAM”) put together a piece of legislation that will allow MLPs to have their existing green energy contracts count toward those goals. At this point in time, the

Merrimac Light Department has about 27% of its power portfolio dedicated to green energy resources although most of the renewable energy credits are not kept. The Manager met with State Representative Larry Mirra and with the MLP managers of Georgetown and Groveland to discuss this issue. They collaboratively were able to bring up the fact that MLPs are doing their part in reducing greenhouse gas emissions; however, at the time when those contracts were negotiated, it did not make sense to buy the renewable energy credits. Additionally, the managers informed Rep. Mirra that changing the power portfolio to 100% green in a short amount of time would cause electric rates to go up in our towns because green resources are very pricy compared to conventional products based on natural gas and nuclear.

5- Year Financial Forecast:

Manager presented the Five Year Financial Forecast (Attached with Minutes), which shows a picture of the projected financial status of the MLD from 2019 through 2023. The Manager started by discussing the forecasted revenue for the mentioned years followed by the forecasted KWH sales. The 2019 Operation Revenue is forecasted at \$4,955,644 and ending in 2023 with revenues at \$4,985,860. The Operating Expense Forecast was discussed and expected to go from \$4,937,544, in 2019, to \$4,764,382 in 2023. The Projected Net Income for MLD is \$18,100 in the budget year 2019, \$128,027 in 2020, \$178,193 in 2021, \$261,307 in 2022 and \$221,478 in 2023.

Review of 2018 General Manager Objectives:

The Manager reviewed with the Board, his objectives for the Year 2018.

- 1.) Fixed Asset Account Analysis: Completed.** The Manager looked in. This makes it so that the department is in a better position when the time comes that the asset has to be removed.
- 2.) Comcast Pole Attachment Rate Negotiation: Partially Completed.** Instead of reaching out to Comcast, the Manager reached out to other MLPs managers and they all joined in hiring an attorney to do some research on what MLPs should be charging Comcast for pole attachment fees. The fee from the attorney was split between six MLPs and for about \$200 the Light Department got a report detailing how to calculate the fees and the backup information that makes it legal.
- 3.) City of Haverhill Streetlight Retrofit: Completed.** Haverhill got together with other towns and put together a bit to do the streetlight retrofit in all those towns. Due to how big this project was going to be the Merrimac Light Department did not submit a bid; however, we the Department has done a lot of streetlight maintenance for the City of Haverhill.
- 4.) Union Contract Negotiation: Completed.** The Manager worked with the Light Commissioners and the Union to reach an agreeable contract for the period from July 2018 to June 2021.
- 5.) Department Reorganization: Completed.** Everything has gone very well with the new positions in the department and the General Manager will continue to support them in achieving their goals.
- 6.) 2018 DPU Report: Completed.** The 2018 DPU Report has been completed and submitted to the Department of Public Utilities ("DPU").
- 7.) 5-Year Financial Forecast and Capital Plan: Completed.** The Manager updated the 5-Year Financial Forecast and completed the FY2019 Capital Plan.
- 8.) 23 kV System Sectionalizing Project: Completed.** The Manager has come up with a system design upgrade to limit the number of customers affected in cases of issues on the 23 kV lines within the Town.
- 9.) Arc Flash Study: Completed.** The Manager was able to secure the services of Workplace Safety to do the study. The Department was able to save money since the Manager had an initial system design used by Workplace Safety.

Proposed 2019 General Manager Objectives:

The Manager shared with the Commissioners the goals he was planning on tackling for 2019 (Attached with Minutes). The goals were reviewed and the Commissioners indicated that those were very good goals for 2019.

Flyer Insert Requested by "We are Pentucket" Committee:

Although the Department does occasionally do flyer inserts for other Town Departments, it is in the Department's best interest to refrain from doing so for committees that are not part of the Town Department. At this time the Light Department will not be doing the flyer insert for the "We are Pentucket" Committee.

Other Items:

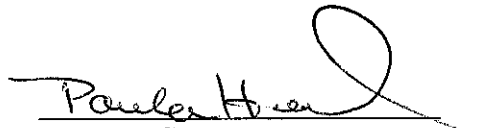
Write-Offs for 2018:

Board voted 3-0 in favor of writing off \$4,863.25 in uncollected customer balances.

The meeting was adjourned at 5:01PM.


Chairman


Vice Chair


Secretary