

**MINUTES OF THE
MUNICIPAL LIGHT BOARD MEETING
March 14, 2018**

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 4:00 PM.

PRESENT

Those present included Chairwoman Paula Hamel, Vice Chair Larry Fisher, and Secretary Norman Denault, MLD’s General Manager Francisco Frias, and Senior Clerk Tara Aniello. Also in attendance, for a period of the meeting, were Tim Flynn from LPL Financials and MLD’s Line Superintendent Ken Buzzell.

MEETING START

A Motion was made and accepted to bring the meeting to order at 4:00 PM.

APPROVAL OF MINUTES

Commissioners voted 3-0 to accept the February 20, 2018 Board Meeting minutes as written.

GENERAL MANAGER’S ITEMS

January 2018 Financial Information:

General Manager (“Manager”) asked the Board if there were any questions regarding the financial information for the month of January 2018. The power expenses were higher compared to last year due to the cold weather stretch the area experienced. The Department saw a total Net Loss in income of -\$21,143. Due to higher transmission and capacity expenses, the Department is looking to have a net loss of -\$51,882 for the year. 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 January’s ending balances.

March Storm Update:

Line Superintendent Ken Buzzell came to the meeting to give the Board an update on the recent storms. The March 8th Storm took out the two supply lines coming into town which are owned and maintained by National Grid. The Department had lines down, power outages and broken poles to manage but at the end of the day had to rely on National Grid to get the Town’s power supply feeds up and running again. The Department requested mutual on March 9th and was able to get a line crew from the Taunton Light Department. The Department put together a Mutual Aid plan last year but this plan was not activated because there was only one crew in town and they were released at the end of the day. Manager sent Matthew Shwom and William Jennings to Reading to provide mutual aid for their town on Sunday the 11th once Merrimac had no customers without power. Ken said that he was very pleased with the efforts put by the linemen during all the recent weather events and asked the Commissioners if they would consider purchasing all-season FR jackets with the name of the

Department on them for the guys. He thinks that would be very well received by the guys. Ken also asked the commissioners if there could be some financial compensation for him since he worked a lot of hours through the storm without getting paid overtime. He brought this up since that topic was briefly discussed before he took the management position of Line Superintendent. Board is going to discuss this further and make a decision at the next Board meeting. Commissioners thanked Ken for the update and for his hard work during the storm.

LPL Financial for MLD Investment Policy:

Tim Flynn from LPL Financial was invited to the board meeting to discuss the investment status of the Department's Depreciation and Rate Stabilization funds. Mr. Flynn discussed the different options that the Department has regarding its investments but emphasized on how well the investments have done using the current strategy. He showed a performance comparison of the Prudent vs. Legal list and what other municipals are doing regarding their investments. He also mentioned the fact that other municipal light departments have set up revocable trusts to manage investments using the Prudent Investor methodology and to get better returns on their investments. Commissioners are interested in looking more into this possibility. Manager will look into the options given and provide an update to the Board at the next board meeting.

Tangent Generator Project Update:

At this point, the project is in the commissioning stage and should be very close to being finalized and ready to run. The Manager is working with Tangent and Energy New England on clear guidelines to make sure the generator chases Real-Time LMP only when it makes sense for the Department. The Department's energy portfolio is already about 92% hedged over the next three years and any additional energy generated must be within what's allowed by existing power contracts. Commissioners indicated that this was discussed with Tangent when the project was being proposed.

DPU Report:

Manager discussed where the Department was with the annual DPU report and said that he emailed the commissioners a copy of the report and was looking to get their signatures. The report will be left on the signature table for the commissioners to sign once they finish reviewing it. Manager will need to mail the report to the DPU before the end of the month.

Union Negotiations:

Manager confirmed to the commissioners that the first Union Negotiation meeting will be on March 28th, 2018 and he will be securing a location for this meeting. Once he has the location he will inform the commissioners and the Union. The subject of the start time of the meeting came up but some of the commissioners wouldn't be able to start before 3:30 PM. Manager has informed the Board of this situation to the Union as they were looking for a 3:00 PM start.

Executive Session:

Board voted 3-0 to go into Executive Session at 5:59 PM to discuss Union and personnel matters. Board voted 3-0 to come out of Executive Session at 7:02 PM and end the public meeting at 7:03 PM.

Chairwoman

Vice Chair

Secretary