

**MINUTES OF THE  
MUNICIPAL LIGHT BOARD MEETING  
April 9, 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 Vice Chair Norman Denault, Secretary Paula Hamel, MLD’s General Manager Francisco Frias, and Office Manager Tara Aniello. Also present in the meeting were Jesse Fitzmaurice, Marcos Santiago and Gil Myette from Energy New England (“ENE”). MLD Chairman Larry Fisher joined the meeting after ENE concluded their presentation.

**MEETING START**

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

**APPROVAL OF MINUTES**

Commissioners voted 2-0 to accept the March 12, 2019 Board Meeting Minutes as written.

**GENERAL MANAGER’S ITEMS**

**February 2019 Financial Information:**

The General Manager (“Manager”) asked the Board if there were any questions regarding the financial information for the month of February 2019. The Department saw a total net income of \$105,752.00, compared to a forecasted income of \$49,198.00. This was a result of higher than expected payments, coming in during the month of February, and also lower than expected operating expenses. The year-to-date Net Income is \$224,031.

**Green Deals and Power Hedging Presentation by ENE:**

Jesse Fitzmaurice, Marcos Santiago, and Gil Myette, from ENE, came to the meeting to discuss some green and non-emitting power purchase opportunities that they have been working on with different suppliers. The Massachusetts Clean Energy Standard (“CES”), which at this point only investor-owned utilities have to meet, requires electric companies to add more green energy with an ending goal to have the State reach its goal of 80% green by 2050. At this point in time municipal electric companies are not mandated by these standards, although there is a chance that they could be in the near future. Municipal light departments have submitted a version of the CES standard to the State legislators in hopes to do their parts in the State’s goal and to avoid unrealistic standards being forcibly imposed on them.

The projects that are being proposed are the Palmer Biomass, Offshore Wind, NextEra Solar, and NextEra Nuclear. All these projects will secure a more robust green and non-emitting energy portfolio for participating municipalities. At this point, the Department is in a good place as far as the portfolio goes with green energy at about 28% but may need to focus on being prepared to have more in case

stricter policies are passed by the legislators. At this point, if the Department was to participate in the projects, the total amount of energy to be added to the portfolio would be around 16%. Green energy is more expensive than conventional purchases from natural gas generators. The Board made a motion to have the Manager look further into these opportunities and make a recommendation at the next Board Meeting.

**Admin Building Architectural Test Fit Options:**

JD LaGrasse & Associates provided another draft of the test fit for the upgrade of the MLD administration building. The next step in the process would be to hire a contractor to come up with a budget for the project so the Department can determine how to move forward. The Manager will continue moving forward and update the Board with any new information.

**1<sup>st</sup> Quarter 2019 Reliability Report:**

The Manager reviewed the results of the 1<sup>st</sup> Quarter 2019 Reliability Report and indicated that the Department only had a total of two outages in the first quarter. The total number of customers affected was 36 and power was restored within 60 minutes or less.

**Cash Allocation and Investments:**

The Light Department has over 1.3 million dollars in cash and the Manager proposed taking some funds out and putting them in CDs to make more of a return on investments. This portion of the money could be added to the Rate Stabilization fund if the Board decides to increase that fund in the future. The Board agreed that \$500,000 would be an appropriate amount to move and try to get a return on. The Board made a motion to have the Manager find the best CD rate available to invest this amount of money.

**Flags for Poles Project Discussion:**

Commissioner Fisher talked briefly about the Veterans Memorial Fundraiser and the idea of putting small flags on the ornamental lights leading to the town square. He talked about this in one of the meetings last year and he thinks it would still be a good idea to have the Department move forward on their own and place the flags on the poles from Memorial Day through the Fourth of July. The board will discuss at a later date.

**Inspector's General Report:**

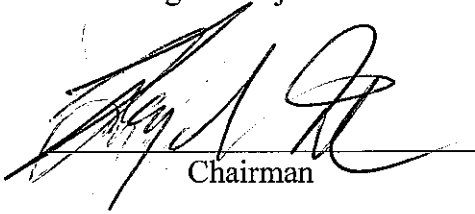
The Manager had sent a copy of the Inspector's General Report from the Commonwealth of Massachusetts for the Board to review and asked them if they had any questions or concerns in reference to what the Department does and this report. The report was based on a survey of all municipal light departments in the Commonwealth and it detailed the expense and policies of Municipal Light Departments when it came to sick leave payouts.

**Operations Workforce Update:**

The Manager updated the Board on recent workforce status in the Department. Matthew Shwom recently had surgery and will be out for at least a couple of months recovering. Scott Saunders is also out with a medical condition and his restrictions from the doctor were too much to have him at work. Scott will be returning after he gets a clearance to work on May 8, 2019. Ken Buzzell was out for 9 weeks, recovering from surgery and is now working part-time with an end goal of working full time.

None of these medical conditions were job-related injuries but the Department has been very limited in the amount of capital work that it can do.

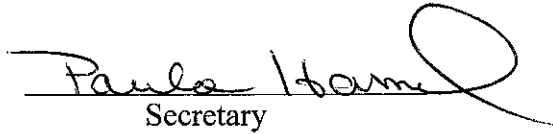
The meeting was adjourned at 5:59 PM.



Chairman



Vice Chair



Secretary