

PRINCETON MUNICIPAL LIGHT DEPARTMENT
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**BOARD OF LIGHT COMMISSIONERS
NOVEMBER 14, 2018
REGULAR MEETING MINUTES**

The meeting was called to order at 6:00 PM.

Present were: Commissioner/Chairman - Jim Whitman, Commissioner - Chris Conway, Commissioner - Rick Rys and PMLD General Manager - Brian Allen.

Agenda:

The Board voted unanimously in favor (3-0) to accept the agenda as presented.

Meeting Minutes:

- **September 19, 2018 Public Meeting Minutes** - The Board voted unanimously in favor (3-0) to amend the minutes and change a sentence within the “Legal Opinion Letter” detail on page 3 to include investigating the ability to sell energy back to PMLD customers. A copy will be placed on file and will be available online at www.pml.com.

General Manager’s Report:

- **Current Bank Balances** – Mr. Allen presented the Board with the bank account balances report dated November 14, 2018. A copy will be placed on file. The Citizen’s Bank Operating account has a balance of \$129K, the Depreciation account has a total balance of \$1.14M, the MMDT Rate Stabilization account has a balance of \$832K, the Unibank Operating account has a balance of \$1K, the Meter Deposit account has a balance of \$33K. As of November 14, 2018, PMLD has \$12K listed for vendor accounts payable and is waiting for \$237K in electric customer account receivables. All bills are paid in a timely manner. Chairman Whitman reminded everyone that the Auditors previously advised that PMLD should rebuild the depreciation and stabilization accounts to a combined total of \$3M.
- **2018 Operating Budget Review** – Mr. Allen presented the Board members with a copy of the 2018 working budget analysis spreadsheet dated 11/07/2018. A copy will be placed on file. The cashflow figures were through September 2018 with a target of 75%. Mr. Allen stated that revenues are at 78.01% and expenses are at 74.30%. Mr. Allen confirmed that depreciation funds to purchase a used tree truck have not yet been utilized. The used trucks are not available due to the recent storms in the south. It’s likely the truck will be purchased in 2019. Replenishing inventory is the priority now and Mr. Allen anticipates spending about \$100K on transformers, poles, etc. PMLD is still waiting on the

\$47K reimbursement from Tallahassee FL for the storm work assistance PMLD provided through NEPPA back in October.

- **5 Year Plan (2019-2023) and 2019 Proposed Operating Budget Review** – The Board reviewed 3 scenarios of the rate analysis and 5-year plan Mr. Allen put together to determine what the 2019 operating budget will be set at – 1) increase the rate \$0.01/kwh 2) no rate increase or 3) decrease the rate \$0.01. Copies will be placed on file. Mr. Allen went through the scenarios in detail explaining the use of depreciation funds with each. Mr. Allen explained that the Board needs to decide if they want to continue to use depreciation funds to offset annual budget expenses and to what degree. If the rate is reduced PMLD will need to use an estimated \$420K of depreciation funds in 2019; if the rate is increased PMLD will only need \$20K, and if there is no change in the rate PMLD will need approximately \$280K in depreciation funds. The Board agreed to review the information tonight and over the next month and vote on the budget at the December meeting. The new Nextera energy and capacity rates were included in the updated 5-year plan. Mr. Allen reminded the Board that the decision to extend the energy contract out to 2027 allowed PMLD to levelize the energy rate and reduce the cost in 2019 from \$85/MWH to \$79/MWH. The Route 140 reconstruction project is expected to start in 2019 and will offset some PMLD expenses specific to salary and inventory. Mr. Allen reminded the Board that funds were reallocated and deposited in the depreciation and stabilization accounts during the year that PMLD refinanced the wind debt loan and only had to pay interest on a short-term loan to MMWEC while the long-term bond was put in place. Mr. Allen shared that the last rate increase of \$0.0106 was back in February 2016. The sale value of wind RECs has dropped, and Mr. Allen anticipates they will continue to drop. If the Board wants to keep the RECs and retire them the financial impact will be smaller for PMLD in comparison to previous years but could provide more value for a greener score card which Commissioner Rys wants to build upon. Mr. Allen explained each line item in detail which includes a 3% raise for employees and additional payroll funds in anticipation of hiring an additional office staff member to train before a possible retirement; and possibly a new full-time apprentice/groundman in 2019.
- **Department of Energy Resources (DOER) Municipal Light Plant (MLP) Solar Program** – Mr. Allen provided the Board with a copy of the draft program created by the DOER and the revised program the DOER put together after working with representatives from MEAM and MLPs. MMWEC was charged back in February with the task to look at the original program and provide recommendations for changes to help minimize the regulations on municipals while still offering an attractive rebate program. Back in February PMLD offered a non-binding agreement to participate in the program with a cap of \$10,000 to allow MMWEC & MEAM to move forward with the DOER to define an MLP program. In November Mr. Allen signed the commitment letter for Princeton to be included in the incentive program locking in the \$10,000 commitment. Residents who install solar PV systems under the new program would get a 50% rebate from the state and PMLD (25/25 split) up to half the total installation costs. The Board agreed our participation in and commitment to the new program shows PMLD's support of solar installations. Mr. Allen provided the Board with an estimated value of \$1,298 in SRECs PMLD would see in the future based on potential customers (a copy will be placed on file). The Board discussed how the \$10,000 would be utilized by residents and if there was enough money to go around. The Board discussed increasing the commitment to \$20,000. The estimated

rebate would be limited to \$3,000 per customer on a first come first served basis for a 5 kW system. Chairman Whitman would like to incentivize more cleaning up of the environment and put additional rebates towards the HELPS program specific to heat pumps to reduce the use of fossil fuels burned in chimneys. Chairman Whitman made a motion to participate in the DOER's Massachusetts MLP Solar Program (a copy will be placed on file) with a cap of \$10,000 defined as a rebate incentive capped at 50% reimbursement of total installed costs (\$1.20 per watt) split 25/25 between PMLD and the State to customers who install a solar PV system up to 5 kW under the new DOER MLP solar rebate program; and to allocate an additional \$10,000 of PMLD funds towards heat pump installations matching the same rebates residents receive through the HELPS program beginning December 2018 through July 2020. Commissioner Rys seconded the motion. All were in favor (3-0).

- **Interconnected Generator Policy** – The Board acknowledged receipt of the change recommendations received from Engineer David Columbo who went through the policy and made changes to reflect current industry standards. The major change was to allow for larger systems, increasing the 10 kW to 30 kW throughout the policy. Battery installation is an allowed practice and does not require any additional wording in the policy at this time. No changes were made to compensation for generation. Commissioner Conway made a motion to approve the revisions to the interconnect generator policy as presented. Chairman Whitman seconded the motion. Commissioner Rys recused himself from the vote acknowledging his conflict of interest in owning an operational solar PV system installed on his home. All were in favor (2-0).
- **Wind Turbine Update** – Mr. Allen shared the good news that Mr. Courville and his crew fixed the turbine on September 29th after deciding to test a series of capacitors that showed no visual signs of failure; however, upon doing so he compared the capacitors test results to test results he performed on new capacitors and confirmed that the new capacitors tested much higher. Mr. Courville changed out all six of the old capacitors and the turbine fired up and the problem was solved. The capacitors were not part of the initial American Superconductor (AMSC) troubleshooting directive to test. The Board commended Mr. Courville and his crew for their perseverance and saving the department from spending \$25K to bring in the AMSC Austrian technicians. Scope tests previously discussed were not necessary. Mr. Courville shared his discovery of the capacitors with AMSC and is awaiting their response. Mr. Allen confirmed that the new converter that was ordered is now in stock. Mr. Allen provided the Board with a revenue loss analysis for the turbine that was not working. The cost came in at approximately \$32K for wind energy and wind REC sales lost between June and Sept.
 - **Blade Inspections** - L&M, the manufacturer of the blades, performed the blade inspections in September and copies of the results are placed on file. Repairs due to wear and tear were needed, there was no signs of vandalism this year. Specifically, the tail edge of one turbine split near the hub and required additional lift equipment to perform the repair. The total cost of inspections and repairs came in at \$25K. Mr. Allen anticipates the need to resurface the 6 blades (both turbines) in year 15, which is 2025, at an estimated cost of \$200K-\$300K.
- **Police Detail Issues** – Mr. Allen explained that police detail officers have been hired a lot in recent months to perform road detail duties for Charter Communications and they have gotten used to that work and the income that comes along with it, which he's witnessed in other municipals he's worked for in his 30 years in the industry. PMLD work crews are now their focus and they are being surveillanced by on and off duty officers who report back to the Police Chief that PMLD is working on streets without police details. Mr. Allen was notified and is now being told that PMLD cannot

conduct work as usual and that MA law requires police detail officers. Currently PMLD linemen set up roadside work zones on streets using cones, signs, flashing truck lights and a groundman to direct traffic. Mr. Allen explained that he has worked on these roads in Princeton for the last 14 years without issue until now. He stated that a verbal agreement with the Police department has been in place and that a paid police detail officer to handle traffic has not been needed in the past on most roads provided that PMLD is using a groundman for traffic control with the exception of the busier main roads in town and work zones with sharp corners and limited lines of site. This agreement has allowed PMLD to conduct daily roadside work with its employed linecrew using all the safety measures already in place. PMLD has hired police details for many jobs in the past for roadside work for upgrade projects, vehicle accidents, etc as needed to allow PMLD to maximize their entire 4-man line crew to perform big jobs on many main and secondary roads throughout town. PMLD's practices have served the department well over the years and they have had no incidents with safety of the public or line crews. However, some police officers are looking for incidents and recently two on-duty police officers observed, documented and reported PMLD line crew activity to the Police Chief. A PMLD line crew who responded to a call to check out and remove a hazardous tree that had come down on the wires stated that an on-duty detail officer doing traffic control for Charter a few hundred feet from the PMLD work zone observed and likely made phone calls to another on-duty police officer in a patrol car who pulled up, took pictures, backed up and drove away. Their observations were documented with pictures and a complaint they sent over to the Police Chief calling into question PMLD's actions. PMLD was set up on the road with cones, flashing lights and a groundman performing traffic control detail for a job that took less than an hour. Mr. Allen called the Police Chief about the incident and found out the details and had to explain why PMLD was on that road. The Police stated that it was a public safety issue, which Mr. Allen questioned if it was truly a public safety issue and why then did the on-duty police officer drive away from the work zone. PMLD had all safety precautions in place that PMLD has always used and traffic was controlled without issue while the tree was cleared. Mr. Allen explained that he researched the law and found out that roads under 45 mph can also use flaggers for work zone traffic control when roadwork is being performed. The town of Princeton has two areas (parts of Hubbardston Rd and Route 140) with a speed limit over 45 mph and according to MA law any work performed in those areas require a police detail. Mr. Allen took action to formally train and certify all PMLD employees as flaggers and acquired additional road safety gear. If PMLD were to hire police officers to do road detail for all PMLD roadside work the financial impact would be significant (est. at \$200K); and if the town wasn't paying for it then the ratepayers would have to incur the cost. The police union has a 4-hour minimum payment in their union contract to hire a police detail, a 2-hour increment payment thereafter and 8-hour double-time pay for emergency police detail calls. Mr. Allen has requested a written list of roads in town from the Police Chief that will not require a police detail. Another incident took place about a month after the first incident when an on-duty police officer in a patrol car sped through a PMLD work zone on Main Street that a line crew and a designated flagger from the crew were set up in. When the on-duty officer drove through the work zone in his patrol car he parked just up the street from the work site, observed the crew for a while, then drove back through the work zone at a high rate of speed. This action was very troubling for the line crew and it was immediately reported to the Police Chief, and a formal written complaint was filed with the Police Department. Mr. Allen explained that this sort of activity is the intimidation and harassment he and his employees were concerned with when the

decision was made to use flaggers. The Police Chief cited that the Police Department was not formally notified of PMLD's plan to work on Main St. Mr. Allen wanted to share these details so that the Board is aware of the issue because he suspects that this issue may get bigger and the financial impact on the department, other departments and/or the town will be significant. Mr. Allen stated that a certified flagger is the most cost-effective way to perform the various PMLD roadside work on the roads in Princeton. The Board supported Mr. Allen's efforts and expressed their disappointment and concern of the actions by on and off duty police officers. Mr. Allen has notified the Town Administrator. She and the Board Selectmen have not been involved in the matter as of yet. Mr. Allen is waiting for the General Foreman, Mr. Courville, and Chief Powers to meet first before moving forward with additional meetings with other departments and officials. Mr. Allen assured the Board that PMLD employees who perform the flagger job are well equipped and trained to professionally represent the department and keep the safety of the public and crew a top priority. The Board acknowledged that a bylaw would need to be written and voted on by the townspeople and would require much discussion about costs before any change requiring only police details for road work zones is mandated in town.

- ***Nextera Conference Call*** - Mr. Allen has scheduled a conference call for November 29th to provide Commissioner Rys with an opportunity to ask questions about various wind energy related purchase and sale opportunities. A copy of Commissioner Rys' email to Nextera was provided. The other board members are invited to sit in on the conference call to hear the information and ask questions as well. The Board is clear that no deliberations about PMLD business can be performed during the conference call because it is not a posted meeting. The Board may discuss the details of the conference call at a future public Board meeting.
- ***Data Collection Scada System*** – Mr. Allen provided the Board with the information Commissioner Rys requested. He stated that Ayacht could develop a real time scada system using the reclosure currently in place at the town line. The cost is estimated at \$7,500-\$11,000. It would be an additional piece of equipment, a separate scada system from the wind scada system and it would provide real time data that needs to have code written to allow the information to be linked to PMLD's web page to show load at timed intervals. Commissioner Conway and Chairman Whitman felt the value did not justify the cost. Commissioner Rys felt that some people in town may want to monitor the load so they could adjust/manage their consumption during peak times. No decision was made to take additional action.
- ***2019 Board Meeting Schedule*** – The Board agreed to meet the 2nd Wednesday of each month at 6:00 PM in 2019. Meetings will be properly posted as required by MA General Law.

At 8:00 PM the Board voted unanimously in favor (3-0) to adjourn the meeting.

***Respectfully Submitted,
Christine Trudeau
Recording Secretary***