

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
DECEMBER 3, 2013**

PURSUANT TO notice given the Wellesley Municipal Light Board (“Board”) met in the Wellesley Municipal Light Plant (“MLP”) Board Room, 4 Municipal Way, at 5:30 PM.

PRESENT

Those present included Chairman Edward J. Stewart, III, Commissioners Paul L. Criswell, David A. T. Donohue, Owen H. Dugan and Katharine Gibson; Municipal Light Plant Director Richard F. Joyce and staff members Joseph A. Bisol, Kevin P. Bracken, Michael Coppellotti, Trevor P. Criswell, Debra J. Healy, William H. Marsh, Suzanne M. Newark, Donald H. Newell and James W. Verner. Also in attendance were Advisory Representatives Andrew W. Patten and Thomas Frisardi.

APPROVAL OF MINUTES

Upon a motion made by Mr. Donohue and seconded by Mr. Dugan, it was unanimously

VOTED: To approve the October 31, 2013 Public Session Minutes as written.

CITIZEN SPEAK

The Chairman presented all of those in attendance with the opportunity to speak on matters of interest with respect to the MLP. No one in attendance wished to speak.

Board Appreciation. Line Supervisor Kevin P. Bracken presented the Board with a letter of appreciation. The letter was signed by all employees thanking the Board for their leadership and support in promoting a safe work environment.

DIRECTOR’S ITEMS

Financial Statements. Accounting Supervisor, Joseph A. Bisol reviewed the Fiscal Year 2014 Financial Statements. The MLP’s Net Income for October 2013 was approximately \$300,000 below October 2012. Three primary events contributed to the reduction:

- October 2013 kilowatt-hour (“kWh”) sales were 2.7% below October 2012;
- Net Income in October 2012 included scrap copper sales of \$140,000; and
- Energy costs increased by \$106,000.

Mr. Joyce was confident net income levels would return to normal in calendar year 2014. The MLP has hedged a greater percentage of its energy and is finalizing a strategy to limit its open position exposure for January and February.

American Tower Corporation (“ATC”). The Director informed the Board the distributed antennas system (“DAS”) Master Agreement was executed on November 15, 2013. ATC has initiated negotiations with prospective carriers for connection to the DAS network. Negotiations are confidential, however, ATC expects all four major carriers will have an interest to serve various areas of Wellesley. Once ATC finalizes the node locations the MLP crews will begin installing the fiber backbone. A final decision on the hub location is expected by the end of

January 2014. It is too early to establish a timeline when DAS is expected to be operational but all parties anticipate the initial build-out to be completed by year-end 2014. The Board discussed the potential long term benefits of a 50/50 partnership between the MLP and ATC. All Board Members were in agreement that the MLP's mission is to provide services to Wellesley residents and businesses and as such, pursuing Town-wide cellular coverage should take precedent over any other DAS objective. Mr. Stewart informed the Board that ATC Chairman, James D. Taiclet and Vice President Jeffrey S. Baker appeared before the Board of Selectmen on December 2, 2013. The Chairman expressed his confidence in ATC based on Mr. Taiclet's and Mr. Baker's commitment to the Selectmen.

Verizon Dispute. Mr. Joyce referenced the certified letter sent to Verizon on November 14, 2013. This correspondence notifies Verizon that the MLP will employ the services of a contractor to set 62 poles in Verizon's maintenance area. These poles were part of the MLP's Fiscal Year 2014 ("FY14") capital work to improve reliability. Nine months have elapsed since the MLP first requested these poles to be set.

Also, on November 20, 2013 the MLP filed a formal complaint with the Massachusetts Department of Telecommunications and Cable. In addition to the refusal to set poles, the complaint includes Verizon's lack of pole maintenance; untimely removal of double poles; reimbursement of MLP costs; and unacceptable response during emergencies. Mr. Dugan recommended that the Director follow-up with Mr. Tiernan of the Department of Telecommunications and Cable periodically and provide the Board with monthly updates until these issues are resolved.

Fiscal Year 2015 ("FY15") Operating Budget. The FY15 Operating Budget of \$29.7 million is 1% above the approved FY14 budget. Two categories comprise the majority of the increase:

- Transmission costs are projected to increase by \$144,000; and
- Purchase Power costs are anticipated to be \$119,000 higher than FY14.

The Director referred to Page 4 which highlighted Purchase Power costs as a percentage of the Operating Budget. Energy (56%), Capacity (11%) and Transmission (15%) comprise 82% of the MLP's operating expenses. The one noteworthy change in the FY15 budget is the Board's decision to increase the amount of energy hedged. In the past, the MLP's strategy was to maintain a "layered and staggered" portfolio with 80% hedged in the current year with a reduction of 20% in each of the following four years. Given the significant decrease in wholesale electric prices the MLP has hedged 85% in FY14 and 82% in FY15. Mr. Donohue referenced the negative financial impact transmission costs are having on the MLP. Mr. Patten asked where the MLP had budgeted vehicle fuel expenses. Mr. Bisol referred to page 8, Line Item #22, "Vehicle Use". This \$47,600 expenditure includes fuel and maintenance costs. Upon a motion made by Mr. Donohue and seconded by Mr. Stewart, it was unanimously

VOTED: To approve the Fiscal Year 2015 Municipal Light Plant \$29,671,500 Operating Budget as presented.

MLP Internal Energy Policy. Office Manager, Suzanne M. Newark summarized the MLP's progress in support of the Town-wide goal to reduce carbon emissions by 10% using 2007 as the benchmark year. As part of this goal Town Departments were requested to play a leadership role by reducing their emissions by 20%. Ms. Newark summarized the energy usage for all MLP buildings and facilities. Using 2007 as the benchmark the MLP had reduced its carbon emissions by 49% during Fiscal Year 2013.

Ms. Newark reviewed the internal energy policy the MLP developed for the administrative building and garage and warehouse. The energy policy was communicated to all employees using the acronym LESS:

- *L*ights
- *E*quipment
- *S*upplies; and
- *S*ea^son.

Several examples of how the energy policy applies to each category were provided to the Board. Mr. Stewart asked if the MLP's internal energy policy could be shared with other Town Departments. Given Ms. Gibson's membership on the Sustainable Energy Committee ("SEC") it was decided the SEC should receive a copy.

Primary Meter Tests. Superintendent Donald H. Newell summarized the meter accuracy test results performed by consultant Timothy J. Murphy, P.E. A total of seven accounts, including the four primary accounts and the partial primary account, were tested. All accounts were recording energy and demand usage accurately.

Gordon F. Kingsley Recognition. The Director and Board discussed the important role Gordon F. Kingsley played in establishing a separate Board to oversee the operations of the MLP. All of the Board Members were in agreement that an appropriate recognition of Mr. Kingsley's efforts would be to name the Board Room in honor of Gordon F. Kingsley. Mr. Joyce read a Board Resolution that would authorize the naming of the Board Room. Upon a motion made by Mr. Donohue and seconded by Mr. Stewart, it was unanimously

VOTED: To approve the RESOLUTION as presented by the Municipal Light Plant Director that authorized the naming of the Municipal Light Plant Board Room, 4 Municipal Way after Gordon F. Kingsley.

ADJOURNMENT

The Board Meeting adjourned at 7:00 PM.

Respectfully submitted,

Owen H. Dugan, Secretary