

**MINUTES OF THE  
MUNICIPAL LIGHT BOARD  
MARCH 24, 2014**

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

**PRESENT**

Those present included Chairman Edward J. Stewart, III, Commissioners 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, Cynthia R. Lowe, William H. Marsh, Suzanne M. Newark, Daniel J. Trant and James W. Verner. Advisory Representatives Andrew W. Patten and Thomas Frisardi were also in attendance.

**APPROVAL OF MINUTES**

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

**VOTED:** To approve the February 10, 2014 Public Session Minutes as written.

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

**VOTED:** To approve the February 10, 2014 Executive 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.

**DIRECTOR’S ITEMS**

**Financial Statements.** Mr. Bisol reviewed the Fiscal Year 2014 (“FY14”) year-to-date Income Statement and Balance Sheet. Purchased Power costs continue to exceed budgeted amounts due to increases in winter spot market prices. The Board and Director discussed the positive financial impact realized from increasing the MLP’s hedged energy position to more than 90%. Mr. Bisol distributed a preliminary draft of the February Comparative Operating Statement. The MLP’s projected FY14 net income improved by \$200,000 as a result of hedging more energy purchases over an extended time period. Mr. Joyce and Mr. Criswell are reviewing the benefits and risks of locking-in a larger percentage of energy purchases during summer and winter peak periods.

**Five-Year Financial Forecast (“Forecast”).** Mr. Trevor Criswell reviewed the draft Forecast which included the financial impact of Forward Capacity Market increases in Fiscal Years 2017 and 2018. To offset these expected increases the Forecast includes a 1%/per month rate increase for ten months beginning in January 2015. The Board discussed various options for the rate increase implementation. Given the 5% rate decrease that went into effect in October 2012 Wellesley’s electric rates will be 5% higher than Fiscal Year 2012.

The Board discussed the cash balance and the possibility of reducing the MLP's pension and OPEB liabilities. Mr. Joyce provided an update on his review of the OPEB information provided by the Retirement Board. The Board and staff discussed possible generation and energy conservation options available to reduce the MLP's summer peak demand.

**Distributed Antenna System ("DAS").** Assistant Superintendent James W. Verner has provided American Tower Corporation ("ATC") with an estimate to install fiber to 58 DAS locations. The MLP has also met with ATC and Babson College to discuss potential node locations to improve cellular coverage on campus. Mr. Verner informed the Board that ATC expected to finalize negotiations with one carrier within the next month. Once completed the name of the carrier and proposed DAS locations can be made public.

**Town Meeting Presentation.** The Chairman reviewed the MLP's presentation for Warrant Article 10 at this year's Town Meeting. The Board also reviewed overheads prepared by the staff in anticipation of questions on the Town Payment (Warrant Article 8) and Old Administration Building Demolition (Warrant Article 26).

**Administrative Building Refund.** The final cost of the 8,400 square foot building addition is estimated to be \$3,360,000, approximately \$100,000 over budget. Once the Permanent Building Committee ("PBC") finalizes closeout documents the MLP will be entitled to a \$230,000 refund. The primary source of the refund is a \$145,000 payment from the general contractor's bonding company. This payment will offset the costs the MLP incurred during the eight month delay in the completion of the building. The remaining monies are the return of unspent contingency funds and reimbursement for work performed by the MLP initially included within the general contractor's bid proposal.

**Telephone System Purchase.** The MLP staff has worked with Thomas J. D'Orazio from the Information Technology Department and Joseph Hutton from the School Department to evaluate the purchase of a new telephone system to replace the failed system shared with the Department of Public Works ("DPW"). Mr. Joyce reviewed the competitive bid process Mr. Hutton undertook for the purchase of the School Department's telephone system. The School Department purchased an Avaya system from Carousel Industries from the Commonwealth-approved bid list. As a result of a recent change in the bid price, the Avaya system is available at a price slightly below the prior two-year contract.

The MLP and DPW, along with representatives of the Fire Department and Council on Aging met with Carousel Industries to review the telephone requirements and cost for each department. The total estimated cost of a telephone system for all four departments is \$140,000, including a \$2,000 contingency. Mr. Joyce recommended that the MLP purchase and oversee the installation and receive reimbursement from the other departments in Fiscal Years 2016, 2017 and 2018.

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

**VOTED:** To authorize the Municipal Light Plant Director to purchase an Avaya Telephone System from Carousel Industries at a price not to exceed \$140,000; the purchase shall include telephone systems for the Municipal Light Plant, Department of Public Works, Fire Station 2 and the Council on Aging with reimbursement to the Municipal Light Plant in three equal installments during Fiscal Years 2016, 2017 and 2018.

**Miscellaneous.** The Director briefly discussed the progress Verizon has made in the transfer of double poles. Also discussed was the MLP's mistaken inclusion of the Friends of Wellesley Council on Aging bill insert.

**Executive Session.** The Secretary, Mr. Dugan polled each Member for authorization to enter into Executive Session for the sole purpose of evaluating alternatives for the reorganization of the MLP management structure. Each Member responded in the affirmative and the Board entered into Executive Session at 7:15 PM.

**Return to Public Session.** The Board returned to Public Session at 7:40 PM.

**ADJOURNMENT**

The Board Meeting adjourned at 7:40 PM.

Respectfully submitted,

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Owen H. Dugan, Secretary