

**MINUTES OF THE  
MUNICIPAL LIGHT BOARD  
NOVEMBER 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 Chair Katharine Gibson, Commissioners, Paul L. Criswell, David A. T. Donohue, Owen H. Dugan and Edward J. Stewart, III; MLP 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, Kevin M. Sullivan, Daniel J. Trant and James W. Verner. Also in attendance was Advisory Representative Frank Pinto.

**APPROVAL OF MINUTES**

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

**VOTED:** To approve the October 20, 2014 Public Session Minutes as amended.

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

**VOTED:** To approve the October 30, 2014 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.

**DIRECTOR'S ITEMS**

**Financial Statements.** Mr. Bisol reviewed the October and Fiscal Year 2015 ("FY15") Financial Statements. Net Income for October was \$1,500 higher than October 2013 but \$130,000 below the monthly forecast. The Director reviewed each of the expenditure categories detailing the financial impact for each item. Ancillary power supply costs mandated by ISO-New England were the primary contributing factors for higher operating expenses. In response to a question from Mr. Stewart, Mr. Joyce expressed confidence in the FY15 forecast going forward assuming ancillary costs are reduced to historical levels.

Mr. Bisol noted that the MLP's available cash as of October 31, 2014 was \$330,000 below last year. Given the moderate summer temperatures the MLP's sales were considerably below prior years resulting in lower income which, in turn, reduced the cash balance. Year-to-date kilowatt-hour sales were 5% below Fiscal Year 2014. The Board and staff reviewed page 15 of the Financial Statements, "Fiscal Year 2015 Comparative Operating Statement".

**Five-Year Financial Forecast ("Forecast").** Trevor P. Criswell presented the Forecast to the Board. FY15 pro forma Income Statement included the actual financial results through October 2014. The energy purchases through Fiscal Year 2019 were updated to reflect the tranches

recently hedged as well as Energy New England's weekly projection as of November 6, 2014. Revenues used in the Forecast were based on the assumption a 5% rate increase went into effect in November 2014. The only other major change was the incorporation of ISO-New England's updated projection for transmission costs.

Mr. Trevor Criswell reviewed the pro forma "Annual Statement of Cash Flow" in detail. The significant reduction of available cash will incur in Fiscal Year 2018 due to a \$5.7 million increase in Forward Capacity Market ("FCM") prices. The Board and staff discussed various options to reduce the summer peak. The Director estimated a rate increase of 13% would be necessary to cover ISO-New England's FCM annual cost.

**Tuition Reimbursement Policy ("TRP").** The Director presented the TRP that had been circulated to the Board earlier in the week. Mr. Joyce was of the opinion the feedback he had received was included in the policy. Mr. Donohue requested that courses of instruction include "or equivalent courses of instruction at the discretion of the Director". Mr. Stewart voiced his objection with the requirement employees had to reimburse the MLP if they should voluntarily terminate employment. The draft policy included a sliding scale with 100%, 75% and 50% reimbursement requirements within a two year period after termination. The Board agreed to amend the proposed Tuition Reimbursement Policy reimbursement to: 1) 50% of the payment to be refunded to the WMLP if employment is voluntarily terminated by the employee within six months from the date TRP compensation was paid; and 2) 25% of the payment to be refunded to the WMLP if employment is terminated after six months from the date TRP compensation was paid. Further, the Board agreed to eliminate a refund to the WMLP if employment was terminated after one year. Upon a motion made by Mr. Donohue and seconded by Mr. Dugan, with Mr. Stewart abstaining, it was

**VOTED:** To approve the Wellesley Municipal Light Plant's Tuition Reimbursement Policy as amended.

**Verizon Pole Purchase.** Mr. Joyce updated the Board on the status of the MLP's purchase of Verizon's interest in jointly-owned poles. Both the Pole Sale Agreement and Pole Attachment Agreement have received preliminary approval by Verizon with one change. Verizon has requested that the 45 and 90 day periods allowed for the transfer of their wires and equipment be expanded to 90 and 120 days, respectively. The Board and staff discussed the impact the extension would have on double poles in Wellesley. After further discussion the Board authorized the Director to proceed with the purchase with the extended transfer timeframes.

**Distributed Antenna System ("DAS").** The Director reviewed the progress made for the implementation of a DAS network. The MLP and American Tower Corporation ("ATC") are very close to completing a cost estimate for a partial installation. If all goes well ATC could present the cost estimate to a carrier in early December. Overall Mr. Joyce has been pleased with the decision to partner with ATC. The relationship ATC has with the carriers and their expertise in wireless technology are invaluable. These qualities combined with the MLP's line operation capabilities will provide wireless services to carriers that will prove to be very attractive and encourage future expansion of the DAS network.

**Miscellaneous.** The Board and staff briefly discussed the following issues:

- Utility bill insert for 5% electric rate increase;

- Vinagro's November 17<sup>th</sup> correspondence regarding a potential change order due to an 18 day delay in the receipt of the demolition permit from the building inspector; and
- Comparison of electric rates with surrounding communities.

ADJOURNMENT

The Board meeting adjourned at 7:05 PM.

Respectfully submitted,

Paul L. Criswell, Secretary