

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
DECEMBER 22, 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. Paul Criswell, it was unanimously

VOTED: To approve the November 24, 2014 Public Session Minutes as written.

CITIZEN SPEAK

The Chair 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 provided the Board with a brief overview of the preliminary financial results for November. A copy of the “Fiscal Year 2015 Comparative Operating Statement” was distributed and reviewed. Net Income for November was \$301,000 which exceeded the forecast by \$90,000. A reduction in power supply costs was primarily responsible for the increased profits.

Verizon Pole Purchase. The MLP completed the purchase of Verizon’s ownership share of 5,156 jointly-owned poles in Wellesley. The closing occurred Friday, December 12, 2014. Terms and conditions of the Pole Sale Agreement and Pole Attachment Agreement were very similar to the draft agreements provided to the Board in October and November. The Director was of the opinion the MLP’s sole ownership would provide previously unforeseen benefits with the distributed antenna system (“DAS”) installation.

American Tower Corporation (“ATC”). Mr. Joyce received feedback from ATC that negotiations with major carriers were progressing favorably. ATC has begun negotiations with one carrier on a collocation agreement. Given the confidentiality of these negotiations ATC cannot disclose the name of the carrier or proposed DAS locations. Based on the updates received the MLP plans to start the public bidding process to purchase 150,000 feet of fiber optic cable and seek a building permit for the hub to be located at the Weston Road Substation.

Conflict of Interest. Mr. Joyce distributed hard copies of the Massachusetts Conflict of Interest laws and associated forms. Town Clerk, Kathleen Nagle has requested that all Board Members submit the required documents back through her office.

Fiscal Year 2016 (“FY16”) Operating Budget. The FY16 Operating Budget is \$108,500 (.3%) more than the approved Fiscal Year 2015 budget and \$396,000 below actual 2014 expenses. Power supply costs comprise 82% of the total operating budget. The MLP staff expects to reduce energy costs by implementing a 100% fixed price, balanced block strategy for the purchase of electricity on the wholesale market. Mr. Joyce referred to Attachment D and the following comparisons:

- Wages are projected to increase by 1.4%;
- Other Post Employment Benefits are on schedule to be fully funded in 2022; and
- Pension funding increased by 11%.

The Administrative & General expenses include \$30,000 for a Cost of Service Study (“COSS”). Given the past and projected increases in transmission and capacity expenses, a COSS would ensure electric rates for all classes of customers were equitable. Mr. Joyce reviewed the financial impact ISO-New England’s Forward Capacity Market regulations would have starting in June 2016.

The Distribution cost center includes \$24,000 for maintaining and testing the relays and breakers at the Weston Road Substation. Mr. Coppellotti reviewed the benefits derived from contracting the services of a contractor to maintain this equipment. The only major change to the Customer Service budget was an increase in the bad debt expense from \$12,000 to \$36,000 in FY16. This increase was included based on the recommendation of the MLP’s external auditor, Powers and Sullivan.

Mr. Joyce was of the opinion the FY16 budget was cost-effective. Despite limiting the overall increase to less than one-half of a percent the Director was confident the MLP would be able to provide reliable electric service at competitive rates in FY16. The Board expressed their appreciation for the inclusion of detailed cost summaries for all categories and upon a motion by Mr. Stewart and seconded by Mr. Donohue, it was unanimously

VOTED: To approve the Municipal Light Plant’s Fiscal Year 2016, \$31,280,800 Operating Budget as presented.

Next Meeting. The Board and staff reviewed the advertisement schedule for the solicitation of public bids for the purchase of fiber optic cable. It was agreed the next Board Meeting would be limited to awarding the fiber bid and was scheduled for Friday, January 16, 2015 at 7:30 AM.

ADJOURNMENT

The Board Meeting adjourned at 6:25 PM.

Respectfully submitted,

Paul L. Criswell, Secretary