

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
APRIL 27, 2015**

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, 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 were Advisory Representatives Frank Pinto and Thomas Frisardi.

APPROVAL OF MINUTES

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

VOTED: To approve the March 3, 2015 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. Accounting Supervisor Joseph A. Bisol reviewed the March 2015 and Fiscal Year 2015 (“FY15”) financial results. The MLP’s net income is \$1,000,000 below the forecast primarily as a result of a reduction in kilowatt-hour (“kWh”) sales. Year-to-date the MLP has sold 2.5 million less kWh’s compared to last year. Despite the lower than expected sale the MLP’s available cash remains healthy at \$6.1 million.

Mr. Stewart noted on Page 15 that the MLP was projecting net income of almost \$500,000 for the last quarter of FY15 and asked if that was realistic. Mr. Joyce was of the opinion the MLP’s net income for that period would be close to \$800,000.

Reliability Report. Supervisory Electrical Engineer Michael Coppellotti summarized the six power outages the MLP experienced during the third quarter of FY15. Through the first three months the System Average Interruption Duration Index is only seven minutes. Year-to-date 1,103 accounts experienced an interruption compared to 2,407 interruptions the previous year. Mr. Coppellotti was of the opinion the Board’s funding of the annual capital plan and the three-year tree trimming cycle were primarily responsible for the lack of power outages.

Tree Trimming. Daniel J. Trant provided an update on the tree-trimming progress Northern Tree made this winter. Despite the near record snowfall, the entire cycle should be completed by mid-May. Mr. Trant credited the Northern Tree crews for putting in a full work day under very difficult conditions. In addition to providing quality line clearance Northern Tree employees identified potential problems that the MLP was able to address that would have resulted in an outage. Mr. Stewart asked if the MLP’s tree trimming budget could be reduced now that we are

on a fixed cycle. The Director stated the MLP's costs would remain the same because the tree crews were removing three years of growth. The MLP decided to go on the shorter cycle to preserve the aesthetic value of the trees as much as possible.

FY15 Director's Objectives. The MLP staff has completed six of this year's objectives:

- Purchase Verizon's share of jointly-owned poles;
- Demolish administration building;
- Develop rate strategy for FY15 – FY19;
- Evaluate 'Old Substation' renovation costs;
- Replace telephone system; and
- Establish new Lost Time Accident record.

Significant progress has been made in six of the other Objectives. Given the amount of time the distributed antennas system ("DAS") has required very little progress has been made on two Objectives.

Five-Year Financial Forecast ("Forecast"). Trevor P. Criswell reviewed the FY15 – FY19 Forecast. Based on the most recent energy prices it does not appear a rate increase will be required for the foreseeable future. The updated Forecast included the expected financial benefits of DAS based on the assumption it is fully operational as of July 1, 2016. Mr. Joyce believes this estimate is conservative and a December 1, 2015 date is more likely. Mr. Dugan asked why Fiscal Year 2016 revenue is increasing by \$1.3 million compared to FY15. Mr. Trevor Criswell said two factors were responsible:

- 5% rate increase will be in effect for a full year; and
- FY15 is year-to-date through February and reflects decreased summer sales due to below average summer temperatures.

Pole Survey and Inspection. Superintendent James W. Verner summarized the benefits electric utilities receive from performing pole inspections periodically. The MLP hired a contractor to inspect and survey all utility poles on the south side of Route 9 in 2014 at a cost of \$55,000. The north side of Route 9 was last inspected in 2003. Mr. Verner received a proposal from Alamon Utility Services to inspect and survey the 2,700 poles to the north of Route 9 at an estimated cost of \$33,000. Upon a motion made by Mr. Criswell and seconded by Mr. Stewart it was unanimously

VOTED: To authorize the Municipal Light Plant's Superintendent James W. Verner to finalize and execute the April 16, 2015 contract with Alamon Utility Services to inspect and survey all Municipal Light Poles on the north side of Route 9 at the following prices:

- Visual Inspection - \$5.50/per pole completed on all poles; and
- Full Inspection - \$13.90/per pole, completed on poles older than ten years, includes visual inspection.

Distributed Antenna System ("DAS"). The Director provided the Board with an update on the progress made with DAS. American Tower Corporation ("ATC") is negotiating with all major cellular carriers and hopes to obtain a commitment from one of the major carriers by the end of May 2015. MLP line crews have begun installing the hardware and tag lines in anticipation of June 30, 2015 completion date for the fiber network. Mr. Joyce was pleased with the commitment and quality of personnel ATC has assigned to this project.

Assistant Superintendent, Kevin M. Sullivan reviewed the importance of splicing and testing the fiber optic cable. ATC provided specific requirements for the selection of contractors and participated in the interview process for the two finalists. Based on prior experience working on similar ATC and Babson College fiber projects, Mr. Sullivan recommended that the splicing and testing contract be awarded to the low bidder, Phoenix Communications, Inc. The Board and staff discussed the splicing and testing criteria required by ATC and the long-term financial impact the quality of work has on the Town-wide DAS. Upon a motion made by Mr. Criswell and seconded by Mr. Stewart it was unanimously

VOTED: To award the “Splicing and Testing” contract to the lowest qualified bidder, Phoenix Communications, Inc. in an amount not to exceed \$142,700.75.

Old Substation Renovation. The FY15 Capital Plan includes \$90,000 to “weather tighten” the old substation at 1 Municipal Way. This building was constructed in the early 1900’s and has historic significance to the MLP and Town of Wellesley. Court Street Architects was hired to assess the required renovation work to be phased-in over a number of years. Their recommendation for the first year focused on the windows, exterior masonry, roof and gutters/downspouts. On March 18, 2015 the Old Substation roof incurred major damage as a result of strong wind gusts. Parts of the roof were peeled back and one lane of the westbound side of Route 9 had to be closed. The MLP is working with Mr. Joseph McDonough in the processing of a claim with the Town’s insurance provider. Since this building is considered to be a historically significant building the copper roof would have to be replaced in-kind. Mr. McDonough has estimated the copper roof replacement to be approximately \$135,000 with a \$25,000 deductible. The Board and Director discussed the potential availability of Community Preservation Committee (“CPC”) funds. Mr. Dugan recommended that the MLP Chair contact the CPC Chair to inquire about funding.

NSTAR “Dig Safe” Violation. On February 11, 2015 NSTAR Gas crews dug into the MLP’s supply line on Central Street in Needham. The cost to repair the damage to the 378-90 Line was \$93,500. NSTAR has claimed the MLP’s line was not correctly marked-out and has refused to compensate the MLP for repair costs. On March 6, 2015 Daniel Trant submitted a formal Dig Safe violation complaint to the Massachusetts Department of Public Utilities. Mr. Joyce informed the Board that the MLP experienced similar problems with National Grid which required the retention of legal counsel. The Board authorized the Director to retain the services of Attorney James A. Goodhue in anticipation of litigation.

ADJOURNMENT

The Board Meeting adjourned at 7:00 PM.

Respectfully submitted,

Paul L. Criswell, Secretary