

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
DECEMBER 14, 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 Owen H. Dugan, Commissioners Paul L. Criswell, David A. T. Donohue, Katharine Gibson 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.

APPROVAL OF MINUTES

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

VOTED: To approve the November 18, 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 October 2015 and Fiscal Year-To-Date (“YTD”) 2016 Financial Statements. Available cash of \$7.8 million was \$500,000 more than October 2014. Mr. Bisol attributed the increase to a 3.4% YTD increase in kilowatt-hour sales. Mr. Bisol reviewed the “Fiscal Year 2016 (“FY16”) Comparative Operating Statement”. Through October the MLP’s Net Income is \$250,000 below the forecast. Higher transmission and peak energy costs in September were the primary factors contributing to the lower income.

The Board asked if it was possible to obtain Financial Statements sooner. The Director explained the causes of the delay and committed to evaluating various options to expedite the completion of monthly Financial Statements.

Babson and Wellesley College (“Colleges”) Solar. Assistant Superintendent Kevin M. Sullivan updated the Board on the progress made between PowerOptions and Babson College and Wellesley College. In addition to the initial meetings to discuss the scope of work both Colleges provided a tour of their campus to evaluate potential solar sites. Mr. Sullivan was of the opinion PowerOptions has been responsive to the Colleges’ needs and all major issues have been addressed. The next step is to schedule a meeting after the holidays with the MLP staff, both Colleges and Donald S. McCauley.

Primary Customer Communications. Trevor P. Criswell reviewed three options to establish real-time communications with the MLP's Primary Service customers. These options included the following technologies:

- 1) Fiber connectivity;
- 2) Radio frequency via metering; and
- 3) Cellular.

Cellular communications with an estimated cost of \$9,400 was the least expensive alternative. The Board and staff discussed the potential benefits as a precursor to a Town-wide "Smart Grid" deployment. The Director was of the opinion that the projected Forward Capacity Market ("FCM") peak savings needed further evaluation/confirmation given ISO-New England's propensity to revise its regulations.

Fiscal Year 2017 ("FY17") Operating Budget. The FY17 Operating Budget of \$32,903,100 represents a 5.2% increase over FY16. The increase is directly related to ISO-New England's policy decision for FCM and transmission. These two categories have increased the FY17 budget by \$3.5 million. These higher costs are partially offset by a \$2.2 million decrease in energy costs. The Director attributed the lower energy costs to a major decline in natural gas prices and secondarily to the Board's adoption of a 100% Balanced Block hedging strategy. The remaining increase of \$263,000 is the non-cash expense to recognize the MLP's straight-line depreciation in accordance with Generally Accepted Accounting Principles.

The MLP's "controllable costs" remained the same as FY16. The budget reflects the anticipated elimination of one full-time position performing dig safe mark-outs. At Mr. Verner's suggestion the MLP hired a retiree to work part-time and will use existing linemen for emergency dig safes. A summary of FY16 and FY17 "Controllable Costs" is provided below:

<u>Category</u>	<u>FY16</u>	<u>FY17</u>
Administrative & General	\$692,200	\$695,900
Distribution	1,079,600	1,076,000
Customer Service	604,100	602,700
Total	<u>\$2,375,900</u>	<u>\$2,374,600</u>

The Board and Director reviewed the pro forma Five-Year Income Statement and discussed the need for a future rate increase. Upon a motion made by Mr. Donohue and seconded by Mr. Dugan it was unanimously

VOTED: To approve the Municipal Light Plant's Fiscal Year 2017 Operating Budget in the amount of \$32,903,100.

Salvation Army Volunteers. Members of the MLP staff volunteered to ring the bell for the Salvation Army's Red Kettle Drive on Thursday, December 17th. Those volunteering were:

- Joseph A. Bisol
- Kevin P. Bracken
- Maddie C. Brooks
- Joanna A. D'Orazio
- Debra J. Healy
- Richard F. Joyce
- Cynthia R. Lowe
- William H. Marsh
- Gregory T. Oliver
- Brenda F. Sullivan
- Kevin M. Sullivan

Special Legislation Exemption. The Board and Director discussed the MLP's interaction with other Town Departments, Boards and Committees. Everyone was in agreement the current working relationships have proven to be effective and should remain the same.

Distributed Antenna System ("DAS"). The Director reviewed the tentative schedule for the completion of the DAS network. If all tests are acceptable there is a possibility the carrier could fully activate the system and integrate the Wellesley DAS with the carrier's existing cellular coverage before the holidays. The Board and Director discussed various opportunities to expand DAS to provide coverage in other areas of Town.

Next Meeting. The Board scheduled the next meeting for Monday, January 25, 2016 at 5:30 PM.

ADJOURNMENT

The Board meeting adjourned at 7:10 PM.

Respectfully submitted,

Paul L. Criswell, Secretary