



MUNICIPAL ELECTRIC POWER ADVISORY BOARD

Minutes

September 17, 2020

HMLD Community Room, 1 Holden Street, Holden, MA

6:00 pm

Members present: Scott Carlson, John Shepherd, Gary Harrington, Steve Sendrowski, Pete Liddy and Peter Elkas

**Staff present: Jane Parenteau, General Manager – HMLD
Barry Tupper, Assistant General Manager – HMLD**

Public present via phone: Dennis Mahoney and Jane Dye

Public present: Richard Farrell (not sworn in yet)

Determination of quorum

The meeting was called to order at 6:01 p.m. by John Shepherd and determined there was a quorum.

J Shepherd welcomed the new members to the Board.

Pete Liddy

Richard Farrell – (not sworn in yet)

Approval of Minutes

- August 20, 2020

J Shephard had one correction for the location (not Starbard Building as listed).

Motion by S Sendrowski, seconded by P Elkas to approve the August 20, 2020 minutes as corrected. Unanimously approved.

Presentation of 2019 Audited Financials – Goulet, Salvidio & Associates

Jim Goulet and Heather Isaac, Goulet, Salvidio & Associates auditors, presented 2019 financials.

Mr. Goulet went through the highlight of the Management discussion analysis. Audit began on page 8 and he stated that there was a lot of consistency. Profit was higher than last year.

Current assets - \$22,092,772
Cash was up - \$473,418
Non-Current Assets – \$17,421,153
Depreciation Fund – \$2,968,310
Customer Deposits – \$272,651
Preliminary Fund – \$412,870

S Sendrowski asked about plant assets if it includes upgrades to sub stations.
Jane replied only current status as of 2019 is included.
Heather added that it is cash value only.

Pension Review

S Carlson asked on page 8 what is the total value of the pension.

Ms. Isaac replied OPEB is separate from the pension and relates primarily to health insurance. She said Worcester County is 50% funded and has a target date for being fully funded, HMLD does not have any control over that.

J Shephard asked on page 8 there is an item - other net receivables – what does that encompass.

Ms. Isaac referred to page 16 primarily merchandising and other receivables such as projects done outside of normal work.

J Parentau asked if the Town and Light Dept could create a Trust?

Ms. Isaac said there is one municipality set up through the town Treasurer since 1976.

P Elkas asked about the jump in the accrued expenses?

Ms. Isaac said it was mostly due to the accrued time off and there may be an employee who went over 10 years and the accrual of sick time changes after that mark.

Mr. Goulet continued to review the report.

J Parenteau asked regarding OPEB, if HMLD gets to the level that OPEB is fully funded what would do the auditors recommend?

Ms. Isaac said due to market volatility and changes in costs, it would be recommended to overfund. Money could also be used to pay healthcare cost to the Town for retirees.

Ms. Isaac recommended a few areas to concentrate on:

- Inventory Control and Valuation (counting discrepancies noted but it has improved from previous years).
- Construction in progress involving billing Contractors is a difficult system to work through but improvement in this area would be beneficial.

The Board thanked Ms. Isaac and Mr. Goulet for their presentation.

COVID-19 Update

- Arrears

J Parenteau gave an update. Through August 2020 total revenue equal to \$9.8 m. Arrears increased only \$375 from July 2020. One of the impacts was the 113 friendly reminders mailed out. Current moratorium is still in place

and HMLD doesn't have leverage to shut off customers that are not paying. This week on Tuesday friendly reminders went out to over 600 customers.

S Sendrowski asked what the total number of customers % for non-payment is

J Parenteau said there are about 8,600 customers total (less than 5% in arrears)

J Parenteau said there are no commercial customers in arrears. Next month they will have a better idea of the number of homeowners versus renters that are in arrears.

Operation/Capital Update

B Tupper reported that all fiber cable has been installed for the regional dispatch project and crews are back to URD underground conversion. Forestry is identifying and working on some identified hazardous trees and trimming. Crews are back to normal work and refocused on Capital projects for Bullard St and Chaffin Substation build outs.

B Tupper said Randy Dorian is recovered from injuries and back to work. Eric Horn should be returning in the next few weeks.

S Carlson asked how many openings there are.

B Tupper said 2 currently but a 3rd one will be needed as another retiree comes up.

Public Comment

J Shepard asked for any public comments.

No comments from Dennis and Jane.

Other business

J Parenteau laid out the schedule for the next meetings
October 15, 2020
November 19, 2020 – (2021 Operating and Capital Budget)
December 7, 2020 (Tentative budget presentation to BOS)

Motion by S Sendrowski, seconded by S Carlson it was unanimously voted to adjourn the Sept 17, 2020 meeting at 7:11 pm

Prepared by: Sara Flagg, Recording Secretary

Approved: October 22, 2020