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**MUNICIPAL ELECTRIC POWER ADVISORY BOARD**  
**November 18, 2021**  
**HMLD Community Room, 1 Holden Street, Holden, MA**  
**6:00 pm**

**Members present: G Harrington, Scott Carlson, Steve Sendrowski, Pete Liddy II, Peter Elkas, and Richard Farrell**

**Staff present: Barry Tupper, General Manager – HMLD**

Determination of quorum

The meeting was called to order at 6:02 p.m. by G Harrington and determined there was a quorum.

Approval of Minutes

**September 16 , 2021**

*Motion by S Sendrowski seconded by R Farrell to approve the minutes for September 16, 2021. Approved by 6-0 vote*

B Tupper reviewed the Operating Capital Budget. HMLD is entering 2022 in a positive position and the budget is being developed along with the 5 year plan to cover CY 2022-2026. 2022 Budget was developed with Nov and December numbers estimated.

- Revenue through October 2021 was slightly up 1.8%. Primarily driven by increase in residential and municipal sales and decrease in commercial and general service.
- Shut off moratorium was lifted by the Board of Selectmen and HMLD was allowed to begin disconnects due to nonpayment as of June. HMLD decreased past due receivables by 65% (\$71,112). Liens have been submitted in November.
- Projected Revenues for 2022 at \$14,564,027 based on flat sales from 2021 numbers.
- Projected Power Supply Expense for 2022 at \$10,086,469. 2.9% higher than 2021.

S Sendrowski commented that this was expected and B Tupper replied that yes the power supply cost increase was anticipated and is happening as expected.

S Carlson asked if the BOS asked what HMLD's answer would be if asked what impact on rates the energy costs will have? B Tupper replied that the power supply rates were updated in 2019 based on cost of survey and \$898,214 (10% increase). HMLD has not had to adjust for the past 2 years but an adjustment of .002 k/wh is needed at this time due to the increased cost. This is a pass-through cost and HMLD does not make any return on the increase. For an average homeowner at 750 k/wh per month usage they would incur a \$6.38 increase/month as an example.

### **Operating Budget**

- Operations and Maintenance Costs Projected \$751,997 to be 24.6% higher than 2021 mainly to account for an increase of payroll cost to fill vacancies due to retirement and resignations.
- Administrative and General Expenses are projected to be \$2,326,340 which makes up 17% of total expenses. Includes hiring an Electrical Engineer.
- OPEB waiting on final report but confident that HMLD is in a good position and will not need to make any additional contributions.
- \$312,262 Total Contribution to the Town of Holden which includes payment to Pilot Program, Code Red and various Departments.
- Rate Stabilization Fund is in good shape. This was developed as a result of the 2008 storm and auditors agree that the balance is good based on the potential need.

G Harrington asked where the funds sit. B Tupper said that the account is a savings account through MMWEC.

### **Capital Budget**

- Due to high turnover in 2021 there was a limit to the amount of Capital Projects that were able to be completed. In addition procurement issues related to Covid further decreased the number of Capital Projects. These have carried over a substantial amount to 2022
- 2021 Capital Budget of \$9,561,100. \$6.5 million of that is for the Chaffin Substation and will not be tracked like the rest of the projects, does not come out of the depreciation amount because it is financed through MMWEC. \$569,237 2021 Actual to Budget. AMI Meter, Bucket Truck, Bullard St Substation, etc. POs issued \$3,773,952 and are in process.
- 2021 Capital Rollover is \$2,784,974 and new 2022 Capital Budget is \$853,000.
- Chaffin Substation Project has a budget of \$6.5 million and was approved by the Advisory Board and BOS in 2020. MMWEC financing has been procured in June 2021. At this time the project has been awarded and is awaiting delivery of 3 major components. Design and schedule is done and will limit impact of service. Delays for switchgear have shifted estimated completion to March 2023 (7 months later than anticipated). Construction at the site to begin in early 2022.
- Bullard Street Circuit Buildout – 2 additional circuits to be added to increase capacity and reliability as well as diversify for switching needs. \$425,000 expected cost for 2022.
- Bullard Street Voltage regulator replacement is going well. Parts have arrived and completion may be coming shortly.
- Poles, Routine Maintenance and Construction – replacements as needed throughout Town.
- Meter Replacement is in process RFP is done and contract is being finalized.
- Street Light Conversion is still moving along. Private lights are the current focus.
- Technology Improvements Campaign is ongoing to improve efficiencies.
- Structures and Improvements – Updates to the HVAC, multi-year project. Boiler replacement is completed and working well.
- New Meter Truck and GM Vehicle

- Tool Replacements are to improve efficiency and safety.
- Depreciation Fund projected to end 2022 at \$1.6 million

Recommendations – Here at HMLD we pride ourselves in providing clean, safe, reliable and competitively priced power with great customer service and in an effort to continue to provide all of these services investments to the system and staff have been necessary. Although HMLD is in a good financial position currently with OPEB, depreciation and rate stabilization. When looking at the projects we are currently involved in and taking into account the relatively flat sales that are projected for the coming year in order to continue with a positive net income it is fiscally necessary to increase the base distribution component as well as an increase of .0085 cents per Kilowatt hour to the Power Cost Adjustment (PCA) to make up for the increase in expenses that HMLD has incurred since 2019. It is recommended that the Board approve an increase of .002 cents per Kilowatt adjustment for all rate classes for the calendar year 2022. I believe that small adjustments when necessary rather than large adjustments are generally easier on customers and HMLD has not raised rates in 2 years. This .002 rate increase would impact the average homeowner using 750 kw/H at only \$1.27/month.

S Sendrowski asked if that is in addition to the .0085 cents per kw/H. Barry Tupper replied that that is accurate and is due to the PCA pass through.

G Harrington asked for a motion.

*Motion by R Farrell, seconded by S Sendrowski that the MEPAB recommend to the HMLD Board of Commissioners for the calendar year 2022 approve the Operating Budget as presented on November 18, 2021. Unanimously approved 6-0*

*Motion by S Carlson, seconded by R Farrell that the MEPAB recommend to the HMLD Board of Commissioners for the calendar year 2022 to approve the Capital Budget in the amount of \$3,637,974 as presented on November 18, 2021. Unanimously approved 6-0*

*Motion by S Sendrowski, seconded by S Carlson that the MEPAB recommend to the HMLD Board of Commissioners for the calendar year 2022 to adjust all rate classes in the amount of .002 cents kw/H as presented on November 18, 2021. Unanimously approved 6-0*

#### Operations Update

B Tupper provided updates.

- Crews have been working on pulling poles on Prince St and Reservoir St since Verizon has transferred their lines to the new existing pole lines.
- Dig safe has slowed down a bit
- Forestry is trimming at Mason Rd and doing removals at Miles Funeral Home
- Siding, roofing projects by residential customers has increased call for reattachments

R Farrell commented that HMLD has done a great job in performing through some storms in October and early November. B Tupper also mentioned that despite being short handed the crews have performed really well.

- Transformer replacements are continuing. Ongoing back orders are being handled by diligent and proactive procurement efforts.
- 1200' of primary has been installed at the DPW industrial site. 3 phase transformer and primary connection to be completed this month.

- Bullard St Substation has been moving smoothly.
- Bullard St Circuit is ongoing but awaiting backordered material.
- Pole setting on Shrewsbury St to Doyle Rd have been completed.
- Bucket Truck 25 to be delivered any day

#### Personnel

- Ben Allen, 1<sup>st</sup> Class Lineman joined HMLD
- Jeffery Moore, new Forestry Apprentice
- Accounting Manager position has been filled. John Kwasniewski
- Derek Peto, 1<sup>st</sup> Class Lineman has returned to HMLD
- Negotiations are complete between HMLD Union and the Light Department.  
The contract is valid for 3 years (July 1, 2021-July 1, 2023).

#### Other business

##### Resignation

G Harrington announced that this would be his last meeting. The Board and B Tupper thanked him for his service.

*Motion by S Carlson, seconded by S Sendrowski. The November 18, 2021 MEPAB Meeting was adjourned at 6:55 pm.*

Approved: January 27, 2022