**MUNICIPAL ELECTRIC POWER ADVISORY BOARD**

**April 21, 2022**

**HMLD Community Room, 1 Holden Street, Holden, MA**

**6:00 pm**

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

**Not Present:**

**Staff present: Barry Tupper, General Manager – HMLD; Chris Monsini, AGM; Callie Knower, AM;**

Determination of quorum

The meeting was called to order at 6:04 p.m. by S Sendrowski and determined there was a quorum.

Approval of Minutes

 **March 17, 2022**

*Motion by P Elkas, seconded by S Carlson to approve the minutes for March 17, 2022. Unanimously approved by 6-0 vote*

Financials

C Knower reviewed the Financials for February 2022

* The total net loss for 2022 as of 2/28/22 is $214,712.20 which is mainly due to the Power Production Expense but also since the revenue from the rate increase did not start coming in until February. We should start to see the income from the rate increases over the next few months.
* Total Meter Load for February 2022 had a 2.7% decrease from February 2021
* Total transmission costs for the month of February 2022 were $343,909.49.
* Billings for electric sales were $1,398,733.91. 8,281 bills were sent out.
* An update to the discussion on Total Power Expenses vs Total Power Revenue for February 2022 it was under $474,000, bringing the total under to $643,789.27.
* MMWEC provided an update to the working capital. B Tupper explained that this is based on the worst case scenario looking at an assessment of the worst month. This will be reevaluated annually and if there is an excess of working capital that’s not needed it would be redone. The 2022 assessment is $1,557,324.00, the shortfall HMLD needs to cover is $1,382,126.00.
* Arrears are $58,473.05 for past due accounts and should continue to trend down as the moratorium ends.
* Income versus Budget - Misc Distribution Expense is higher than planned due to clothing for new employees. Station Expenses are up due to purchasing harnesses and climbing gear. Payroll and Customer Service Expenses are up now that positions have been filled. Outside Services is higher due to some payments to the Town IT salary and Auditors.

S Sendrowski asked if the employees get a yearly clothing budget. B Tupper said that in the most recent negotiations they have eliminated the laundry service. New employees are outfitted with everything they need and then annually they are getting enough to replace items as needed.

Manager’s Misc.

* Power Supply Forecast - highest cost in decades and volatile market.
* Undercollection from last year is part of the reason the PCA adjustment as of January 1 was discussed but no one could have predicted the increased costs the past few months. Looking at the cost forecast for 2022, if nothing changes projections show that by December 2022 $1,114,173.38 would be under collected.
* $315,619.85 was deposited into Working Capital from the Reserve Trust and $600,000.00 will be liquidated from investments in the Reserve Trust to help cover the working capital assessment shortfall.
* A pass through rate increase on the PCA of .02/kwh will offset the remaining losses. The average customer using 750 kWh will see an increase of about $15.00 per month. Adjustment will be made once things settle down.
* Rate comparison was shared showing 750 kw/h usage. HMLD average customer would pay about $101.50/month and under the latest increase it would be about $124/month.
* Procurement issues continue to be a challenge. Lead times have become in excess of 2 years in some cases for transformers and vehicles. HMLD is watching very closely on delays and will stay on top of it as much as possible.
* These delays will likely affect the Chaffin Substation and AMI Replacement but working with vendors very closely.

S Sendrowski announced they were entering into Executive Session and would renter regular session immediately after.

Motion to exit executive session by Steve Sendrowski, seconded by Peter Liddy, all in favor.

Motion by S Carlson, seconded by P Liddy II - Special Project 2021A

Move that the Municipal Electric Power Advisory Board recommend to the HMLD Board of Commissioners vote to approve HMLD’s participation in Special Project 2021A in accordance with the terms and conditions of this Participation Acknowledgement and Section 11 of the MMWEC Service Agreement. Unanimously approved.

Operations Update

C Monsini provided updates:

* Crew has been working on removing double poles around town
* Solar projects have slowed down in the past month.
* After hours calls remain at a minimum with no major outages.
* Transformer lead times are still extensive. Several transformer orders are currently being procured in-order to stay ahead of delays.
* We have established a new location for pole storage on River street. Crews have been working on clearing and leveling the site as well as re-locating pole inventory from the Chaffins street sub-station.

S Carlson requested signage to be added here so residents are aware of the new location.

* The Forestry division has been trimming on Mason Rd.

Capital Budget Update

* The Bullard street circuit expansion update – All poles on Bullard Street are framed and ready for wire. Three (3) trees that required a crane to be taken down safely were removed yesterday (4/20/22) between Malden and Wachusett street and old A2 circuit conductors are being removed in preparation for new conductors to be pulled in. One (1) tree will need removal in-order to run B1 circuit conductors from Bullard Street sub-station down to Shrewsbury street. A tree hearing notice was sent out on (4/14/22).
* Construction is underway in the Chaffins Street Substation. E.S. Boulos performed a test excavation in one location for a pier last week and hit ledge with the excavator. They drilled that location on 4/19/22 and were able to drill through. They poured concrete for that pier yesterday (4/20/22). Drilling is estimated to be complete by Saturday (4/23/22). Re-bar for the control house foundation has been installed and the footings were poured today (4/21/22). Excavation for man-hole #2 also began today (4/21/22).
* AMI update – Itron sent back all required documentation with red line copies. The Holden legal team is reviewing, and a meeting is scheduled for tomorrow (4/22/22).

S Carlson asked if there has been a price increase. C Monsini and B Tupper explained that they did try to pass on an increase but they were able to push back on it and they honored the price. Progress has been slow due to multiple entities being involved and several personnel changes during the process on all sides.

* DPW update – Electrician began pulling in secondary wire today (4/21/22).

Personnel:

 Jon Harris and Spencer Pollier graduated from the 4-year NEPPA Lineman program in December. Jon completed all necessary hours and was promoted to 1st Class Journeyman Lineman on March 21st. He has also been added to the “on-Call” rotation. Spencer was hired as a 2nd class lineman in December and will need some more time to complete his apprenticeship and hone his skills before he can be promoted to first class.

Other Business:

The Board approved moving the MEPAB meeting to the 4th Thursday of the month to have financials finalized.

*Motion by P Elkas, seconded by S Carlson. The April 21, 2022 MEPAB Meeting was adjourned at 7:30 pm.*