



MUNICIPAL ELECTRIC POWER ADVISORY BOARD

Minutes

December 4, 2018

HMLD

6:00 p.m.

Members present: Scott Carlson, Peter Elkas, Gary Harrington, Tom Rundstrom, Steve Sendrowski, John Shepherd and Joe Sullivan.

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

The meeting was called to order at 6:03 p.m. and determined there was a quorum.

Meeting minutes

The minutes of the meeting of August 30, 2018 were approved.

General update

Ms. Parenteau welcomed members of the MEPAB. Ms. Parenteau asked members of the MEPAB to introduce them and provide some background. Ms. Parenteau thanked the board for their commitment to HMLD and expressed her desire to work collaboratively in the upcoming year to position HMLD as a strong financial, reliable and competitive municipal light department. Mr. Tupper introduced himself and updated the board regarding his length of service and his responsibilities at HMLD.

2019 Goals and Objectives

Ms. Parenteau reviewed the 2019 Goals and Objectives that were developed:

- Maintain a safe and reliable electrical distribution system
- Cost of Service Study (COSS)
- Reliability Study of HMLD's assets
- Development of technology roadmap
- Evaluate organizational efficiencies
- Develop and review monthly financials
- Long-term planning for both Capital Improvement Program and Operating Budget (6 year plan)
- Discussion of GM/MEPAB future objectives:
 - Talent Management – Employee Training, Succession Planning
 - Security
 - Communication and Community Relations

Cost of Service Study (COSS)

Ms. Parenteau indicated that the last COSS was performed in 2009. She indicated that it is Industry Standard to update COSS every 3-5 years. HMLD's Power Cost Adjustment (PCA) has been modified seven times covering the period 2010-2016. Ms. Parenteau indicated that HMLD is in good shape and will need to increase revenue in order to grow the Rate of Return and make investments in HMLD. This will allow HMLD to be proactive rather than reactive and develop long-term planning which will include a financial strategy to support the various components of the utility.



CY2019 Operating budget

Ms. Parenteau reviewed the 2019 Operating Budget. The review and discussion was as follows:

- kWh Sales
- Revenue
- Power Supply expenses
- Operations and Maintenance Expenses
- Administration and General Expenses
- Other Post-Employment Benefits (OPEB)
- Payments to the Town of Holden
- HMLD's Rate of Return (ROR)
- HMLD's Rate Stabilization Fund (RSF)
- Rate Comparison

CY2019 Capital Budget

Ms. Parenteau indicated that the 2018 capital budget was approved for \$995,000. She indicated as a result of a lapse of time before HMLD hired a new General Manager, it is projected that the actual 2018 capital expenses are approximately \$455,000. She also informed the board that HMLD will present expenses based on Federal Energy Regulatory Commission (FERC) numbers. This will assist HMLD with planning, scheduling and tracking work and expenses. Mr. Tupper reviewed and discussed the 2019 Capital Budget as follows:

- | | |
|------------------------------------|-----------|
| ➤ 362.0 – 362.1 | \$264,105 |
| ➤ 364-369.1 | \$339,805 |
| ➤ 370.0 – 373.0 | \$42,090 |
| ➤ 382.0 – 383.0 | \$50,000 |
| ➤ 390.0- 391.0 | \$117,000 |
| ➤ 392.0 (Transportation Equipment) | \$460,000 |
| ➤ 394.0 (Tools – Shop & Garage) | \$21,936 |

Ms. Parenteau discussed the historical and budgeted capital funding and expenses. She indicated that capital projects are primarily funded through the depreciation fund.

Rebate Programs

Ms. Parenteau reviewed the existing rebates for HMLD customers is being administered through MMWEC's HELP (residential) and GO Program (commercial). She informed the board that the DOER's SREC II program ended on November 26, 2018 and that this is being replaced with SMART program. Municipal Light Plants (MLPs) customers are excluded from participating in SMART because MLPs do not have an obligation to have a Renewable Portfolio Standard (RPS). The Massachusetts DOER has work with MLPs to develop a municipal SMART program which has the potential to develop solar rebates for residential customers with matching funds from the DOER. Ms. Parenteau indicated that before HMLD could develop a solar rebate, the COSS needs to address HMLD's net



metering rate. Ms. Parenteau also asked the question of whether HMLD should explore the potential of developing a rebate for Electric Vehicle Supply Equipment (EVSE). It was determined that these two items will be placed on the agenda for the next meeting.

On a motion by Mr. Sullivan, seconded by Mr. Harrington, it was unanimously:

1. Voted to recommend approval of the CY2019 Holden Municipal Light Department Operating Budget, as presented.

On a motion by Mr. Carlson, seconded by Mr. Sendrowski, it was unanimously:

2. Voted to recommend approval of the CY2019 Holden Municipal Light Department Capital Budget, as presented.

Other business

Ms. Parenteau surveyed the board regarding the frequency of future meetings. It was discussed and suggested that the board meet bi-monthly on the 3rd Tuesday of the month. Ms. Parenteau would draft an agenda and forward to the chairman for review. Any board members would direct potential agenda items to the attention of the chairman.

There being no further business, on a motion by Mr. Elkas, seconded by Mr. Carlson, the meeting of the Municipal Electric Power Advisory Board was adjourned by consensus at 8:35 p.m.

Prepared by: Jane Parenteau, General Manager – HMLD

Approved: February 26, 2019