

Middleton Electric Light Commission
Meeting Minutes
April 27, 2017

The following individuals were in attendance:

Frank Twiss, Chairman
Chuck Clinch
Tim Houten
Jim Kelley
Kevin Kiley
Michael Cloutier, Manager

Chairman Twiss called the meeting to order at 5:05PM.

Approval of Agenda:

Motion:

Chuck Clinch motioned to approve the agenda as written. Jim Kelley seconded the motion.

Motion carried 4-0.

Approval of Minutes:

Motion:

Jim Kelley motioned to accept the minutes of March 30, 2017 as written. Chuck Clinch seconded the motion. Motion carried 4-0.

Financial PPA:

We are still financially healthy. February's 2016 income statement showed a YTD loss of \$137,312.61 and this year it is showing a gain of \$171,591.65. Investment income did very well at \$97,136.23 versus 2016 which was \$26,265.71. Total assets are also about \$500K more than 2016 and our operating cash is about \$450K more than 2016. In general we are in good shape and on the mark according to the budget.

Power Supply:

Mr. Cloutier found the issue with last month's sheet. The Shell column, a new contract, was not included in the totals. It has now been corrected and balanced. Our cost per KWH in January was \$0.098 and in February was \$0.105 and last year January was \$0.109 and February was \$0.099. Mr. Twiss questioned why January and February were down from last year. Mr. Cloutier responded that the warm weather, the ISO winter reliability program and that fact that they did not have to burn as much oil were all contributing factors. River Mill Hydro approached Mr. Cloutier looking to increase our involvement with them. They are looking at

buying two new facilities. One is a 1.1 megawatt and the other a 2.15 megawatt. The smaller one would be thirteen times more energy than we are getting now. Mr. Cloutier told them he was interested but not for all of it. Mr. Cloutier said that would be too big as it would be 15% to 16% of our portfolio. He explained to them that their cost was one of our highest and if they could do something with the price we would possibly be more interested. Mr. Cloutier, along with other local managers, met with Ralph Adams of Dynegy Corp. They are looking to sell capacity but not until 2021. Our capacity contract ends in June this year. We have 10 megawatts of capacity at \$6 a KWM. It is too late to plug in anything this year as the market already happened.

Danvers ROW:

Mr. Cloutier said we have been back and forth with the Purchase and Sale. Just this afternoon Mr. Cloutier got the go ahead from the lawyer that the document could be signed. Mr. Cloutier passed out copies of the agreement. The key points are that we are purchasing land from the Middleton line to Essex Street. Then there is an easement called the North Reading Spur that goes from Essex Street up across Route 114 to Upton Hills Lane and to the Middleton line. From the Middleton line to the Hathorne substation we own poles in Danvers. From the substation we go underground across Route 62 and rise up on Hazen Avenue. Then we are overhead all the way up to the Ferncroft substation back to the Middleton line. Page 2B of this document is a grant of easement through and including above, over and under land from the Middleton line to the Hathorne substation on the poles we own. Four of the poles also have Danvers on them. From the Hathorne substation out we are getting pole attachments. Right now Danvers does not have the authority to give us an easement as it must be approved at Town meeting. However, through this contract they are giving us a license until they get approval from Town meeting allowing the easement for no more consideration. The license will allow us to maintain our poles in Danvers until we get the actual easement. They are also getting a pole attachment agreement for their meter reading equipment they have in Town. This incorporates 129 poles which are itemized in the agreement. The agreement also includes the Howe Manning School driveway right of way. As we are not a taxing authority we cannot waive any outstanding taxes due as mentioned on Page 12D. Mr. Swanson said only the current tax bill of \$24K is outstanding. If need be MELD could pay the bill. Page 12E cleans everything up. MELD has a \$219K bill from 2011 that will be wiped out. Mr. Cloutier intends to take \$1 million from operating cash and the balance from the Wells Fargo Investment account to pay for the ROW by June 15, 2017. The cash payment of \$1.965 million will allow the deed to be in MELD's name. The Commissioners signed the agreement.

Finance Committee Discussion:

On April 12, 2017 Mr. Sheehan requested a copy of our budget. Mr. Cloutier sent a copy within a few hours. Then, John Erickson from the Finance Committee started to inquire about the budget. The FinCom wanted the Commissioners to attend their meeting tonight. As our meeting was at an earlier time tonight Mr. Cloutier invited them to our meeting but they were unable to attend. Mr. Cloutier then told Mr. Erickson if he had any questions he would be available to answer them. In an email Mr. Erickson stated the fact that the Finance Committee needed to make a recommendation at Town Meeting on our budget. He further wrote that this

year the FinCom would defer the recommendation to MELD. Mr. Cloutier stated that our budget does not need Town Meeting approval. MELD comes under Chapter 164 of the Generals Laws of the Commonwealth and is run differently than other Town departments. Chairman Twiss then questioned who would make the recommendation as the Town Meeting Article is not about the budget but the operation of MELD. Mr. Houten said he would look into this.

Manager's Report:

Trucks have all been lettered. Bucket truck has been operating without a problem the last two weeks. The problem was an override switch for the outriggers was stuck. Old bucket truck was delivered to an auction site today and will be auctioned off on June 3, 2017. Per information from Altec, it should be sold for a premium as it is a municipal truck and therefore presumed well maintained. It should get \$12K to \$15K but there is no guarantee.

LED lighting is nearing an end. Most of the lights have been ordered. MELD ordered 33 Evluma 70 watt lamps for the square. Mr. Ferrera ordered 22 lamps for the square, 321 photocells and 275 Remphos replacements. He will order the remaining 46 at a later date. The Evluma lamps should be received in two weeks. We will the install when time allows.

Jim Goulet is still working on the DPU report. He has all the information but has not got back to Mr. Cloutier.

MEAM Conference is in Plymouth on May 18th and 19th. Mr. Cloutier, Mr. Kelley and Mr. Houten will attend.

NEPPA Conference is August 20th to the 23rd. Mr. Cloutier has reserved the rooms.

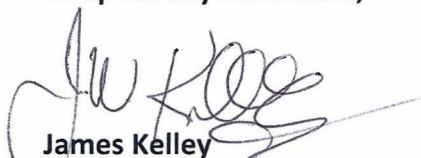
This was Kevin Kiley's last meeting as a commissioner. He was presented with a gift certificate in appreciation for his years on the board.

Chairman Twiss informed the board that the AEDs in the MELD office need replacements. Commissioners agreed to purchase.

Next meeting May 24, 2017.

Meeting Adjourned: 6:04PM

Respectfully submitted,


James Kelley
Clerk