

Middleton Electric Light Commission
Meeting Minutes
February 12, 2020

The following individuals were in attendance:

Frank Twiss, Chairman

Chuck Clinch

Jim Kelley

Tim Houten

Jim Carbone

Michael Cloutier, Manager

Chairman Twiss called the meeting to order at 5:00 PM.

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 approve the minutes and executive session minutes of January 15, 2019 as written. Chuck Clinch seconded the motion. Motion carried 4-0.

Financials:

The 2019 year finished with the power supply at \$0.091. This has been the number since September. It should also be the number for 2020. Sales are down due to the warm weather in January and February. Power prices also go down as prices are good in the spot market when we have warmer weather in winter. Mr. Cloutier just signed a purchase power agreement with a bio-mass plant being built in East Springfield, MA. Our share will be 1 megawatt and will supply about

9% of our energy. It should be up and running by 2022. It is renewable energy because it will burn waste wood such as tree trimmings. It should burn 1,200 tons of wood per day to produce 42 megawatts. It is a 20-year deal and over the life of the project it will average \$0.05 per KWH to purchase power.

Balance Sheet indicates our investments did well. We are also cash healthy. December 2019 finished with a loss due to \$300K being transferred into the OPEB account. We finished the year with a strong net income of \$1,753,894.00.

In Lieu of Taxes:

Andy Sheehan sent an e-mail asking what the payment would be this year. According to the formula the amount is \$229K, which is \$54K more than last year.

Motion:

Chuck Clinch made a motion to round up In Lieu of Tax Payment to \$230K. Jim Kelley seconded the motion. Motion carried 5-0.

Budget:

No big changes from 2019. Mr. Cloutier is budgeting \$949K net income. Revenue was adjusted down from last year as we were down 300,000 KWH in 2019. Interest income is being budgeted at \$100K even though it was \$1.34mil in 2019. The 2019 Net Operating Income was positive even without the interest income. So, we should be solvent even without a positive interest income in 2020. Expenses are a little down from 2019. The Capital Budget is lighter this year because we purchased 2 bucket trucks in 2019 and do not have any truck or other large capital purchases this year.

We will be putting some money into the meter reading systems in 2020. We may update with a system through Itron. We will be able to get a lot more data. Our current meters are one-way, but the new meters would be two ways, in and out. Dave is doing his homework on the system. The new system will read the meters constantly and forward the information to a server. The investment will be very minimal because we will need to change out only 10% of our meters. We are also

going to replace six regulators at the Sharpners Pond Road substation at a cost of \$25K-\$30K a piece and paint the Gregory Street substation. Some poles and wires will also be replaced.

Motion:

Jim Kelley made a motion to approve the budget as presented. Tim Houten seconded the motion. Motion carried 5-0.

Manager's Report:

MEAM Bill H2863 has been released favorably by the Telecommunications, Utilities and Energy Committee. It sets the standards for public power and municipals to become compliant with the Global Warming Solutions Act. It also helps to keep local control. Per the Global Warming Solutions Act it required the State to get to an 80% reduction in greenhouse gases over the 1990 level.

The solar dividends were distributed on the last bill. About \$7K was credited back.

Batteries hit peaks in both December and January. Mr. Cloutier estimates about a net savings of \$22.5K - \$22.6K. If we hit every transmission peak, we will net approximately \$50K. Plus, if we hit the capacity peak it would be another \$150K this year but this amount will go down next year. The Forward Capacity Auction was a few days ago and it is now \$2 a KW month. For now it is good news, but capacity will eventually get expensive again. What our peak is in 2022 we will be paying in 2023. We have only dispatched the batteries seven times. The batteries are charging just with solar.

Mr. Cloutier met with Rick and Charlie from the Rail Trail Committee. Their website is almost ready. They talked about the agreement to indemnify MELD from liability. Andy Sheehan wants the agreement with MELD and the Town. Mr. Cloutier does not see a problem with this. They are going to set MIRTA up as a Town committee and the idea is that it will be Selectmen appointed. They are

going to contact the Town of Danvers Electric Department to see what document they used for their rail trail. Diedre is going to look into it, but she said the most important thing is that MELD gets indemnified. They are hoping to break ground sometime this year, possibly this spring.

Chuck and Brendan went to New Hampshire for mutual aid this past Saturday and Sunday.

George is working on our audit getting all the information together.

DPU report is now due in September. Bill Fraher does that for us.

MEAM Round Table will be May 14th and 15th in Plymouth.

Next meeting: March 25, 2020

Tim Houten motioned to adjourn the meeting at 5:55PM.

Respectively submitted,

James Carbone
Clerk