

Middleton Electric Light Commission
Meeting Minutes
February 16, 2022

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 5:10PM.

Approval of Agenda:

Tim Houten motioned to approve the agenda as written. Jim Kelley seconded the motion. Motioned carried 5-0.

Approval of Minutes:

Motion:

Tim Houten motioned to approve the minutes of January 19, 2022, as written. Jim Kelley seconded the motion. Motion carried 5-0.

Financials:

No surprises in the power supply for 2021. We are right on track from 2020 at \$0.085. The KWH were about 2mil KWH over 2020. We made money in the month of December, but it was mostly the rebound from the interest income of \$273K. Our investments were also up over \$1mil for the year. The net income for 2021 was \$2.3mil, but if the investments are deducted our operating net income was \$1.3mil. Our cash position is still very solid. Power supply costs were up. We are expecting the costs to go up in 2022 at least \$500K. At this point we see no need to raise rates, as our cash reserves should cover the increase. We have some good contracts in future years that should help our numbers. The numbers for January will be quite high due to the high spot market, some plants that were

offline and it was hard to get natural gas. Because it was so cold our customers used more energy. Capacity is down but transmission is up which affects our savings on the battery.

In Lieu of Taxes:

As sales and net income were up over the previous year the number was up. Using the past formula to calculate, our in lieu of tax payment is \$262,978.34.

Motion:

Chuck Clinch made a motion to award the Town \$262,979.00 in lieu of taxes. Tim Houten seconded the motion. Motion carried 5-0.

Budget:

This budget was adjusted off the 2021 budget. Net income was budgeted at \$469K. The power supply was increased by almost \$1mil. This is up \$600K over what was budgeted in 2021. Distribution expense is up due to the new engineer position. Mr. Cloutier included a page with each year after year individual capital account. Transportation expense for \$45K is to possibly replace one of the smaller vehicles. Chairman Twiss questioned the \$1K budgeted for communication expense, Mr. Cloutier told the commissioners that all radios are good and used infrequently for switching and pulling wire, it's a placeholder.

Motion:

Chuck Clinch made a motion to approve the 2022 budget as presented. Jim Kelley seconded motion. Motion carried 5-0.

Manager's Report:

We had one more COVID case a few weeks ago. Mr. Cloutier feels we are over the hump, and we should be going back to normal procedures.

The rail trail has gone as far as it can go until the state does the Ipswich River bridge. If the grant goes through, the trail from Perkins Road to the Danvers line will be completed. They are looking to put a small parking area at Essex Street and a maintenance shed at the end of Central Street. The Rail Trail Committee is working on fund raising.

Manole and David continue to work on the metering system. Twenty-five hundred meters were read remotely this month. Manole is starting to digitalize

some of our paperwork such as stock sheets and work orders. We will be getting new tablets for each truck. Manole is also working on the RP3 Award. There is a May to September submission deadline, and he thinks we will be ready to apply.

An Essex Technical School student is looking for an internship. Mr. Cloutier is planning to meet with him. Manole and David said they have work he could do for them. One job would be scanning all our plans so that the linemen can access the plans on their tablets. This would also preserve the records. Masconomet Regional High School also called to see if we had an internship.

All three electric departments voted for the Co-op authorization formation and signed the agreement. We now need a tax identification number and are looking for an accountant and CEO. We have identified mechanics interested in working on the trucks and generator maintenance.

FERC accepted a proposed tariff change. All of our savings on transmission charges from the batteries were at risk because they were supposed to be reconstituted but no one was doing this. ISO said this was a violation of the tariff. There is currently a lot of Federal money for resiliency. Mr. Cloutier would like to look at a 2-2 ½ megawatt gas generator and is trying to identify locations to install. They are relatively quiet.

Next meeting: March 23, 2022

Tim Houten motioned to adjourn at 6:15PM.

Respectfully submitted,

James Carbone