

Middleton Electric Light Commission
Meeting Minutes
January 18, 2023

The following individuals were in attendance:

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

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

Approval of Agenda:

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

Approval of Minutes:

Motion:

Tim Houten motioned to approve the minutes of December 14, 2022 as written. Chuck Clinch seconded the motion. Motion carried 4-0.

Abatements:

There are three abatements totaling \$3,760.85. A non-payment, a bounced check in January that was not reported by the Town until July and an accident where the insurance company had a cap on coverage.

Motion:

Tim Houten made a motion to approve the abatements as presented on December 21, 2022. Jim Kelley seconded the motion. Motion carried 5-0.

Financials:

Power supply indicates that we spent \$1.73mil more this year than last year. We used only 921,000 more KWH. Which was \$0.018 on average that we paid more than 2021. Our cash position is still strong at \$5.5 million. Just a few hundred thousand dollars less than 2021. We are showing a major loss year to date due to investment income loss. Operationally, we stand at \$655K positive net income. In 2021, we made \$2mil but \$700K was interest income for a difference of \$1.3mil. This is all due to the significant increase in power costs.

Power Supply Update:

Power was very expensive in 2022. For 2023 we had an open position of about 30% up until December 19, 2022, when we solicited several different products from our separate suppliers. One of which was blocks of energy, that we traditionally purchased over the past years. Another was a heat rate contract. Mr. Cloutier investigated what the cost would be for all of 2023 and 2024 and 2023 without January and February plus 2024. What we went with were the shaped block products like we normally use for January and February. This priced out to \$212 per megawatt hour for those two months. This isolated the most expensive months, which then caused our heat rate pricing to come way down. We have locked up 30% of our gas for July and August, but with the heat rate, we can lock gas in as it comes down. Gas prices have come down. Gas exports are down due to an accident at the Freeport Export facility last summer. This is helping bring natural gas storage up. We are still 15% open even with these contracts.

We signed an amended PPA for the solar project in Rhode Island. The price went up, but we decided to stay in as it is a small piece of our portfolio. If we got out now, we would have taken about \$45K back. If they don't build it, we will be made whole for \$60K.

A new Renewable Energy Choice Rate will be effective February 1, 2023. The object of this is to provide all MELD customers with the opportunity to contribute to the retirement of NEPOOL GIS compliant renewable energy certificates or equivalent. Any customer can opt for this opportunity. This voluntary rate shall add, to each monthly bill, an amount equal to the total KWH billed during the month multiplied by the market price of certified renewable energy certificates.

Motion:

Tim Houten made a motion to approve the new Renewable Energy Choice Rate. Chuck Clinch seconded the motion. Motion carried 5-0.

Manager's Report:

Mr. Cloutier and Mr. Houten will be going to Washington DC on February 26, 2023 to March 1, 2023 for the APP Legislative Rally.

Mr. Cloutier met with Andy Sheehan and Jackie Bresnahan about the generator that we want to put down at the new facility. We need about 200' by 200' area for the project, however, Mr. Cloutier recently learned of an energy park that Wakefield is doing. It is located between two schools and will incorporate solar panels on roofs of both schools and will have a utility scale battery and a gas generator. The battery can be used to supply up to an hour of backup generation for both schools. After the hour is up, the gas generator will back up the battery. The solar will be used to feed each of the schools and the excess solar will charge the battery. This project would require about 2/3 of an acre. We would need land set aside at the Town complex for this project. Mr. Cloutier would like to investigate the practicality of doing a similar project at the Town complex. He would like to know if this is something the Commissioners would like him to pursue. What we need at this point is the land set aside. MMWEC is soliciting bids for battery projects. Battery would be owned by the developer and the utility would basically provide a site and inter connection. The bid would be how much savings made at the peak that would be shared with us. There is no capital outlay. This would save the Town money for the generator and cost for the generation.

Motion:

Tim Houten made a motion to approve Mr. Cloutier to explore a potential energy park at the Town complex. Jim Kelley seconded motion. Carried 5-0.

Commissioner Chuck Clinch has left the meeting due to conflict of interest. Truck Foreman, Chuck Clinch has joined the meeting.

Bernie is recovering and making positive progress. Manole has been in touch and is bringing the computer to him which will help us in closing out the inventory.

Wage adjustment for the linemen is due in March. In TJ's and Jeremy's exit interviews, money was the main issue along with a lower cost in their health insurance. They have both moved their employment to the Reading Electric Light Department. Truck foreman, Chuck Clinch, said they were two of his best linemen. To replace these men, it is more important to get a good fit because of the small size of the crew, than to get experience. We will be looking for anyone from apprentice to first class lineman experience. We will advertise through NEPPA. Mr. Cloutier gave the Commissioners the rates other departments are going with this year. The MELD contract runs from March to March, and this is the last year of the contract. Mr. Cloutier recommended the 3% in the contract plus an additional 3%. This increase does not change our ranking position with other departments.

Motion:

Tim Houten made a motion to approve the market adjustment of 3%. Jim Kelley seconded the motion. Motion carried 4-0.

Manager's Review:

Jim Kelley and Jim Carbone met with Mr. Cloutier on December 2, 2022 to discuss a new contract. Numbers were discussed and the following agreement was reached.

Five-year contract

5% the first year and 3% in each of the next four years

Longevity increases of \$500 first year, then 2%, 3%, 4% and 5% of salary respectively in each of the next four years.

Travel increase of \$100 a month

457B a 2% contribution this year

Performance factor, 1% additional increase in salary for each of the following goals being met: Maintaining our excellent rates, employee retention and our excellent reliability.

Motion:

Jim Kelley motioned to approve the Manager's increase as discussed. Jim Carbone seconded motion. Motion carried 4-0.

Next meeting to be determined at a later date.

Jim Kelley motioned to adjourn at 6:05PM. Jim Carbone seconded motion. Motion carried 4-0.

Respectfully submitted,

James Carbone
Clerk