

APPROVED  
Advisory Committee Minutes  
January 29, 2020

Those in attendance:

John Lanza, Ralph Tortorella, Mary Scanlon, Mary Gard, Lina Musayev, Bill Maynard, Todd Cook, Betsy Roberti, Paul Merry, Deed McCollum, Neal Goins, Patti Quigley, Rusty Kellogg, Jennifer Fallon

Todd Cook called the meeting to order at 7:00pm

Citizen Speak: No one came forward.

FMD budget presentation

Joe McDonough gave the budget presentation and mentioned the cash capital presentation that was provided to Advisory but which would not be presented tonight. It is available on the FMD section of the Town website.

Overview of the FMD: 73 FT custodians, maintenance staff, and central office project managers and administrators.

FMD maintains 29 buildings; added 8 DPW buildings several years ago.

FMD generally oversees maintenance, preventive maintenance, environmental health and safety, indoor air quality and energy management. The smallest group, which is probably the most important in terms of what the town is facing right now, is the design construction, headed up by Steve Gagosian. 4 project managers in that group.

Advisory Question: Are the custodians unionized?

- They are all unionized. Most of the custodians and the staff are AFSCME union members. About to enter into negotiations for union contracts for hopefully another three year term. Current contract expires at the end of June 2020.

Snapshot of Budget:

Total request \$8,313,293. Personal services actually decreased. Expenses is a little over 2% increase. That's mostly utilities net. Total is about a 2.5% increase, which is well below the 3.5% guideline.

Expenses includes things like outsourced maintenance staff for vendors to fix elevators, other things not done in-house.

One big change is central office lease. FMD leases about 3500 square feet of rentals. Been on top floor of building right next to the new sports center for five years at end of June. Have to publicly advertise and solicit proposals. Those RFPs lay out exactly what FMD is looking for office space.

Advisory Question: What types of offices?

- May stay where we are, but we can't bank on that. Current lease is a five year, fixed all-inclusive custodial maintenance lease. If we have to relocate to another building, will have to incur certain costs.

Advisory Question: Is there no space in the facilities that the Town owns?

- Hope to have more details about it in two weeks when they come back to Advisory to discuss the Town Hall Annex. A new lease would be the last five year lease. If things work out the end of our five year lease, we'll be able to move into the new Town Hall Annex.

Advisory Question: If we go back to the slide on the lease, what is the timing of that? Would you have that nailed down before town meeting?

- We checked with town counsel. We do not need to go to town meeting for approval; we just need to go to the BOS for approval.

Advisory Question, cont.: But you'll be able to adjust accordingly if the budget is far off of this annual cost in the current budget?

- Yes. It's really the first year this is going to be the issue. I feel pretty good about that. This will be \$21,000 annually for five years. That's the way we need to write the lease. It is a fixed cost provider just like the previous lease.

Advisory Question: You may not be able to answer this, but do you suppose if the national grid were to stop all the gas leaks that are going on in Town, that would offset the increase there?

- Part of the reason why their costs are going up is because of the infrastructure that they tried to repair. So I think it would go down.

Advisory Question: I'm wondering how you handle user habits, such as opening windows in the winter to cool off a room. Is there any policy about that?

- Operations manager tries to encourage people to live within lower temperatures. The behavioral component of energy management is really most difficult. Even 1 or 2 degrees makes a huge difference. We are focused on recommissioning LEDs, putting in equipment that is energy efficient to keep that energy use down, but it's something that always wrestling with.

Advisory Question: With regard to the two individuals who are working on design construction; what project are they currently responsible for?

- Right now we have Kevin Kennedy overseeing the Hunnewell project. Dick Elliot is overseeing Hardy/Upham project. He also working with Steve Gogosian on the middle school building systems, which we are the owner's project manager on. We'll talk when we come back in two weeks about the town hall annex. We're hoping to be the OPM on that. We try to take on the OPM duties as much as possible.

Advisory Question: For the cash capital, do you have things that are still outstanding, that are just sitting and waiting for other things?

- We try to be really aggressive and a lot of projects, if they get approved at ATM, we we'll do that work in the summer. So we'll anticipate it's going to get approval. Not much that is waiting. We've completed the vast majority of the projects. If something lags a couple of years behind, there's usually some reason for it.

### DPW Presentation

Overview of DPW: 5 divisions, 11 programs and 117 employees. Discussion of structure of DPW. Major divisions: Director's office, engineering, management services, park and highway, recycling, RDF and water and sewer. Subdivisions: Lake/Park entry and highway winter maintenance, fleet maintenance and management services.

Had 117 employees for several years now.

### Operating budget.

Key priority is proactively managing and maintaining the town on infrastructure.

Overall budget has an increase of a hundred twenty thousand dollars.

Advisory Question: With respect to the RDF, there's an awful lot being said about the collapse of the recycling market and a lot of towns apparently are having to pay a lot more. Have you solved that problem?

- Haven't solved it, but we are in a better position than many other towns. we aren't single stream, so we're able to keep our product much cleaner than many other towns. As the market has become tighter, the value of clean materials is higher. This has helped us still be able to find markets, but it doesn't mean we're always able to find markets as readily as we used to be able to. We've had periods where we've had to store materials while looking for places to sell them. Projections are based on performance we've seen and the relationships we had. We think that they will continue to be a market for recycled materials, which is fortunate because many places don't have that benefit.

Advisory Question: How are we dealing with our stream of plastic, recyclable? There's an awful lot of the stuff in the environment. And even tiny particles apparently in the ocean water and possibly tiny particles in you and in me. So how we're handling plastics? A lot of people are giving up plastic straws, which seems to me to be a relatively small dent. But what about

plastic? A lot of towns are giving up plastic bags. I'm just wondering where our stream of plastic is going.

- We share the concern about where the plastic goes. And we know we've heard the stories about plastics, one towns that have given up because they can't find the market for it, but also towns that are sending it off, thinking that it's going to be recycled and that later in the stream, the people who are receiving it as recyclable material are then not recycling it and just dumping it. And we do worry about that. It is a concern that we share.

Advisory Question: What's the impact on the budget of accepting food waste?

- I don't have the number off the top of my head. Started tracking it last year. It does reduce the amount of trash that is put into the pure the traditional waste stream. I don't remember the numbers off the top of my head, though, for how we get how we're charged for the waste. When we put it out into the market with our vendor in the current budget, we're paying \$80-250 per ton to get rid of trash and \$60 per ton to get rid of food waste.

Advisory Question: Are you saying that there is a might be a positive impact because you're separating it and it becomes more marketable?

- There's financial benefit, but also the actual waste stream benefit. The staff was very thoughtful about the program they selected, which is why we've got a lot of attention for it. But there are many things that otherwise could not go on. Compost would therefore end up in the trash that can go into this food waste and therefore it finds a better end use than just sitting in it in a dump somewhere.

Advisory Committee: Is there any thought given to maybe advertising or making it possible for people to get those bags more easily?

- With regard to the bags, the reason why we chose the way to do it, is because it goes to a D packaging facility. It's not something that we would primarily worry about, but we do because we want to be ready for a different market in the future, where we might have to be more strict about the bags. But right now, it's not a problem for us.
- Initially, it was more expensive. There's a new working group that's going to be marketing to try to get more participation in that and other programs.
- As far as sourcing the bags, they are available currently through Green's hardware, Roche Brothers and Whole Foods. We will be thinking about other ways to make it more known to people where they could potentially get the bags. We've had people ask us about different types of bags. We want to make sure that people are aware of the program where they can find the bags that they use it, because we think it's a great program. We've seen great uptick so far, but there's certainly a lot more that we could see.

Advisory Question: Are you seeing an overall reduction in plastic disposed of at the RDF or does it continue to increase?

- No significant change in the numbers, but there are more stories about what's happening in the market. Not sure that will actually change what people bring to the RDF over time, but if people are concerned that plastic is ending up in the ocean somewhere, it may actually change individual homeowners' behavior and we may eventually see a decrease. But so far it's been steady.
- The success of the program really is with the residents who take the time to sort the material. It's the sorting of material that really allows us to stay competitive in the marketplace.

Advisory Question: You said something about the bags for the food waste. I didn't understand what you said. Did you say it's D bag or something?

- The first step when we haul it out, it goes to the first process is a D packaging process that it goes through. So removes the bags or anything that shouldn't be in there. The bags become trash at that point. It probably goes to the landfill or an incinerator.

Advisory Question: Given where we are with the winter in terms of the relatively mild winter, how are we faring versus the as-budgeted fiscal 2020 number?

- Last month we had a \$300,000 supplemental authorization. If it doesn't snow any more, there will be money to turn back, but if the winter comes upon us in February like we expected, then we'll sort of play it as it comes. Last year it was \$800K, and now we're 650.
- We're seeing again this year about a 30 percent reduction in salt and we use the brine. Still testing it out and figuring out how to best use it. It depends on the conditions and the temperatures and things like that.

Advisory Question: What's the cost of the brine if you're saving on salt?

- Major component of brine is water. We take a small amount of salt. It's basically you're making a salt solution using a lot less salt. Trying to find ways to use products that are less corrosive. So that's something that we're always looking for.

Advisory Question: Please talk a little bit about the theory behind budgeting low and then asking us for more money, versus just saying look, it will be 50 and if we have a mild winter, we'll have a turn back.

- It is the way most towns in Massachusetts, if not all, do it. It's the way the town actually prefers to do it. It's not necessarily that we preferred to do it that way, because at the end of the day, we could easily make a request based on a projection and then have the funds appropriated and then turn them back at the end of the year. It really would have

no bearing on how we run our operation at the end of the day. And I can't speak for why the town prefers it that way.

- The main benefit is that state law allows us to deficit spend as long as we appropriate no more than same amount each year. If we were to bump it up and didn't spend it, we wouldn't be able to go back to the higher number and deficit spend. Not everybody agrees with that methodology. If that's a town initiative to do it differently, that's something we would certainly get on board with.

Advisory Question: With regard to the RDF, the total expense is about to 2.2 or 2.3. How much of that is covered by revenues from selling the waste?

- Always a projection, but traditionally we cover all of our expenses and usually with a bit of a surplus from the activities that we do that generate revenue and then any of that surplus gets turned back to the town.

Advisory Question: But in terms of the overall revenue for the RDF, recyclables brings in about six hundred thousand dollars of revenue that goes to the general fund. My question was for the \$2.2 million cost at the RDF, what's the revenue that goes against that?

- We're projecting \$650,000 in revenue for 2021.

Advisory Question: Do you have enough staff, whenever you have big snowstorms, to make sure the town is equitable in terms of getting to all the right places that need to be clear in terms of schools, etc.?

- We hire contractors to supplement our staff, so no, we don't have enough staff to do everything we need to do. We make it work and have a good plan. Been dealing with vacant positions, which creates a bit of a burden. Becoming increasingly difficult to hire competent equipment operators and other tradespeople that the economy is so good with full employment or over employment that that's been a challenge the past couple of years.

Advisory Question: How many open positions do you have in DPW right now?

- It's probably about 10 right now. For those of you that were here a few years ago, it fluctuates. We were down to one or zero mechanics. It's a constant struggle to retain people.

Continued discussion of budget:

With regard to the overall \$120,000, that's a 1.7% increase. Mostly personal services and expenses. Bulk of personal services is standard payroll within the department and personal services related to RDF initiatives personal services that are funded from other sources. When we're figuring out how to allocate the money that represents all of our personal services, we break it into essentially those three buckets.

Advisory Question: With regard to RDF initiatives, am I right to assume that it is flat from 2020 plan to 2021 requests because union contracts have been settled?

- No. That is because we don't know. In FY19, we were more selective about the initiatives that we ran. We did less, but they were still profitable. It's not that they were less profitable, just that we did fewer things. Assumption for FY21 uses the numbers in current plan, but may fluctuate because programs tend to change based on market conditions and other things. We may decide as we're in FY21 that some of the RDF initiatives are not performing and so may scale it back.

Advisory Question: What are some examples of the initiatives that we're talking about?

- Picking up cardboard at Roche Brothers, for example. We have initiatives with private companies or other towns to buy recycled material and we process that material and sell it for a profit.

Capital Budget discussion – continuing Slide presentation:

Long term bonding of \$1.75 million. That is exclusively for the rotary on 135 Great Plain that we mentioned last year got escalated because of the request through various entities within town. That bonding is strictly for that one project. The Chapter 90 funds are the funds that come from the gas taxes in the state and we expect that to hit every year.

We don't expect that to be delayed as it was last year. That number may actually come back a little higher, but we're being conservative. We can safely assume that we're going to get the \$790,000 or some evidence it may come back slightly higher. If those funds become available we can allocate them and use them towards capital. Our tax impact, cash capital is essentially the bucket that holds everything else.

Playing Fields – there's cash capital of \$325,000 in the chapter 90. That is a couple different projects. Street improvements, are when any street that's not a major thoroughfare is being paved or improved.

Rehabilitation is usually the category we reserve for our major projects. Cliff Road was Rehabilitation; the upcoming project for Grove that was delayed by National Grid is a street rehabilitation. Everything else goes under improvements. Change is actually in line with traditional numbers for sidewalk work. Last year we only requested \$50K because we had built up some funds that were still available from prior years. Able to reduce the number last year, use some of our prior funds, but to keep up with the maintenance schedule, we do need to go back to our prior request, which is \$160K.

Advisory Question: Is there a reason why those funds were retained and not turned back? Isn't this supposed to be turned back if they weren't used?

- Not a capital fund. So this is capital funds and well, we'll bring those forward to get that work done.

- For example, Grove Street: things were appropriated and are being retained until it's expended. So going down. For surface water, we're not allocating anything this year, even though we know that there will be projects coming up in the future. We've received our permit moving forward in the future.
- We know that we will be spending money, potentially sizable sums of money on essentially our surface water and drainage projects. Not planning to do that this year.

Just to clarify, on surface drainage, we have some funds available from prior years like we did sidewalks last year. And so that's why we were able to reduce that this year. The town asked us to cut our capital and that was one place we thought we could do it.

Advisory Question: For FY20, the big number there includes Sprague, which was just over \$1 million, is that right?

- Yes.

Advisory Question: As for other playing field items, is the \$500K a supplemental?

- Yes, for Hunnewell Field that we'll talk about.

Further discussion of capital for Hunnewell Field Project:

The project was appropriated, and a low bid came in at \$1.37 million. Working through town counsel and financial services, project was split into two phases. The first phase was to get Lee Field done. Then the second phase would be to get the multi-purpose field.

Take the \$1.37 million add contingencies, which is prudent for a project like this, then you get up to about \$1.5 million. Our understanding is that CPC is interested in funding a portion of the overage to the tune of about \$200K. Looking to get confirmation from them on that. NRC looking to reappraise and appreciate some money that they have available about \$71K for the purpose of this project. And then the balance we would look to additional borrowing authorization. Should have a known number before we actually do the borrowing for this project, which would happen this summer. Might end up borrowing only an additional \$100-150K. But wanted to indicate the full freight of what we're needing here, even though there'll be other sources for it.

Advisory Question: Just to tie up a loose end on the \$71,000 from NRC, is that funds from a penalty for a tree cutting incident that happened a while back?

- I think I think that's right.

Advisory Question: Can I just go back to sidewalks for a moment? I thought I remembered you were going to look into new methods. I was just wondering if that had been figured out and if going forward those new techniques were being used?

- There are different types of sidewalks; there's tree roots growing into sidewalks, things happening in patches within sidewalks. A lot of the work that happens when we're doing

street rehab and other projects, where sidewalks are included. I haven't seen anything presented where we're doing strict sidewalk projects that are separate from another project in that location.

- There's a backlog of those types of issues and many other types of issues around town. We have a priority list to help us address those issues. It's a pretty large list that we're working through.

Discussion re community forum on sidewalks: Board has heard from residents that one of the big questions is why aren't we doing sidewalks when we do streets? Largely that's budget. I think that's part of why we have a backlog, based on what I've heard.

Generally there's more involved in doing the work of the sidewalks when you're doing resurfacing work. Becomes more of a logistics issue. Not always best to do it at the same time. But the prioritization process will help us finalize the list for the upcoming years.

Advisory Question: Are you responsible for the sidewalks along Route 9?

- That's Mass DOT.

Advisory Question: Not included in this is bike lanes and more towns are making designated bike lanes. Is that part of your future?

- That's what we refer to as the complete approach. For instance, when we did Cliff Road, you would see, you know, there was there was thought put into everything from the curbing to how you plan for not just passenger traffic and vehicles, but also bike traffic and people walking and everything else. Not sure how other towns do it, but I don't believe we have yet looked at doing anything in areas. Not currently planning those projects.
- Heard through various entities in town that we'd like to have more walkable areas so people can use cars less. And we're certainly aware of that. Open to any suggestions that people have about locations and methods.

Advisory Question: I'm wondering if there is talk about plowing the trails and that sort of thing? I know you're talking about the schools and how kids get to schools and sometimes they can take the trails through the woods in the fall, but not in the winter. And so I don't know if there's a dialog. Maybe it will be with the mobility committee?

- No one's asked me, but I don't know if that question has come in to us to make trails more accessible We will certainly discuss it with the director and the NRC.

Continued Budget Discussion:

Streets and improvements programs: 95 miles of town streets, not including major connectors. Try to stay on about a 10 year cycle. We're projecting 10 miles this year. That's the \$1.92 million.

History of the rehabilitation projects funded through borrowing, some discussed earlier.

FY22 would be Walnut and then Weston in FY23. Constantly evaluating the roads. Will keep juggling the schedule.

Advisory Question: Do you do that design work in-house?

- Typically, yes.

Advisory Question: There's been conversation on social media -- Is it paved, is unpaved? Is it completed? Is there a different technique that you guys are using when you're paving a street that it's technically done and people think that it's not done? And why is that being used?

- Which one street would street specifically narrow it down?

Advisory Question, cont: I don't remember what street it was, but I have been on certain very rocky streets.

- That's Chip SEAL. We do get questions about it. There are people that are not happy about it. You could tell when you drove on and you could see that wasn't what you would call traditional paving. We're very aware.
- We use a variety of treatment services depending on the application, the need and what's the most economical way to approach it. Chip SEAL is a very economical way of preserving the street. And it's not it's not appropriate everywhere, and people could maybe agree or disagree about what is appropriate. But the reason why we're able to get close to the 10 miles rather than three or four miles is because we use chip seal. And so the mix of chips on the traditional pavement is what helps us get us closer to that mark. We could certainly decide that as a Town we want to appropriate more money and do more of a conventional paving. But we don't think that that's the best use of those resources. So it's a tradeoff. And the primary reason for the streets, unfortunately, is not for skateboarding and things like that. It's for safe vehicular traffic. That may change in the future, but that's been the approach up till now. So it's a reasonable alternative treatment.

Advisory Question: Is there any difference in the life of the pavement, the roads, if you're using Chip seal over other methods?

- The bottom line is the chip seal is a much more economical treatment. You'll get longer life and you'll be able to extend the life of the road by doing that type of treatment.
- After about six months, the looseness is gone. But we're very aware of it for six months that nobody likes it.

And the rubber strip chip seal treatment that we use now is different. If you remember many years ago we used a stone chip seal, which could be much worse. Rubber chip is a smoother product. After six months or nine months, you should see that there's a pretty good amount of wear on it, and after that you might be challenged to know that it was a chip seal road.

We're constantly looking in the market because everybody in every town is struggling from the same issue. We're constantly trying to balance that. We hear the complaints and we understand them.

Advisory Question: Is there any ecological consideration? So is there a value in using chip seal that rubber chip seal because it recycles?

- I suspect that the answer is yes, but I don't know. I'll find out.

#### Further Discussion on Sidewalks:

We have 160 miles of sidewalks, and we're doing about a half mile a year. That's why we have a backlog.

Stormwater drainage program: some funds from prior years that can be used for the work this year. We're not asking for any new dollars this year. We received our EPA permit.

General concern that is always raised is where does the water go after a heavy rain or when the snow melts?

- Right now a lot of the stuff is going to the Charles River, which everyone wants to try to keep as clean as possible. We play a role in that. Stormwater program is how we contribute. We'll continue to try to manage that runoff better.

#### Athletic Fields Discussion:

Group comes together once a month includes all of the major sports leagues in town and then they meet with collectively with us and public works. All the people that have any say or concern or opinions on athletic fields are involved in that.

Just redid the tennis courts at Sprague. Once things warm up, we're speaking about the field. Last year, we did the Sprague Turf Replacement. Next year, there are no huge ticket items like in previous years.

Currently undergoing a playground master plan study to look at all the playgrounds in town. Bates has a new playground that was installed this past summer and that's effectively a model for the other playgrounds that will need to be replaced. Hardy was on that list and it remains to be seen what's going to happen with Hardy, but master plan will help us pick our priorities. The \$200K will be for the reconstruction.

Advisory Question: Isn't there an allocation for adaptive equipment for some playgrounds?

- That would fall within this. Not a special appropriation to just be within this and we're trying to incorporate those types of elements into the playgrounds. But it's an expansion of services.

#### Vehicles Discussion.

We pay close attention to safety and cost of maintaining things. Plan in advance and make tweaks to that plan as needed. The fleet is valued at over \$16 million: 840 vehicles and 200 pieces of supporting equipment. That's why we have a huge garage.

We evaluate remaining life use and evaluate repair vs replacing. Major cost this year is a vector truck for almost half a million dollars and the staff and management plan for that.

One of the vehicles being replaced is 2010 Prius, and will replace it with another Prius. This year also purchased our first plug in hybrid.

Advisory Question: Any prospect for electric dump trucks being used?

- It's an emerging market. There are there aren't any reliable vendors out there yet, but we're keeping our eye on it. It'll be pickup trucks first and then eventually I think they'll get there with the dump trucks. Whether or not they can plow, that would be another matter. Running in the cold might be an issue. But we're certainly keeping our eye on it and we're looking to jump in.
- Typically, the economics for something like that will there'll be a payback for an over the road type of vehicle, like a long haul truck for something that runs around town that doesn't put on that many miles.

Advisory Question: We've seen an increase in material that's coming out of the drains. And if so, how much of that is organic and how much of that is inorganic?

- Not necessarily an increase, and I don't know the breakdown of what's in there.

### Water and Sewer Discussion.

Enterprise funds are state regulated, funded by ratepayers, not through tax appropriations. Our cash flows budgeted for break even in a moderate water usage year, which you never know if you're going to have. Any profit is returned to the water and sewer funds, which benefits the ratepayers and the infrastructure in the long term maintenance. Water and sewer revenues depend on water usage and water use.

We have sufficient water from our wells to support our needs, but when we go above certain numbers, we start pulling from WRI, so we are beholden to them for a portion of our fee structure and our sewer is 100 percent on their sewer systems. So our sewer fees are largely dictated by our participation with them to be ready for sewers. Capital budget needs and payment of debt service are also reflected in how we do this budget.

Overall, increase is about 3 percent.

Significant components of that increase are personal services and other operating expenses.

Our increase is about 2.7% for the operating and our capital budget has a large increase this year, pushing up our total budget by close to 7 percent.

Last week WRI informed us there's going to be a change in their rates, so we're going to have to bring to the board of public works another version of this budget that will probably increase by about \$200K over what you're seeing here. Good news is we still think we won't need a water rate increase.

Advisory Question: What's the reason for that? The large increase in the capital?

- Yes.

Advisory Question: The demand charge that I see on my bill every month. Is that a surcharge for to cover the MWD or is that something different?

- It's essentially the cost for the system so that the system is ready to serve the customer.

Advisory Question: Do we have any ability to identify houses that are watering their lawn every single day and forcing us to incur these costs and attributing that cost back to those households versus other households?

- Yes. Even with our current meter infrastructure, we know what we're billing people and where we are. Within the last probably six to seven weeks have begun the full rollout of our new Smart Water Meter project, which will give us a better sense of water usage and understanding, we will have data that should allow us over time to better communicate to people.
- The rate structure set of the typical household would use something like twelve hundred units of water in a year. And if you're at that amount, you're not paying the premium for the end of your water. You're paying it at a much lower rate.

#### Additional capital budgets discussion.

The Town wells are 20 years old, and there needs to be more proactive work to keep them current.

Advisory Question: Does that include the well field?

- That would include the well field.

#### Continuing capital budgets discussion:

Significant vehicle expenses last year and we have zero this year. Fair amount of work on pumping station improvements this year.

Advisory Question: Is there a place for these increases in the five year plan for the town and to have these things included in them?

- The \$50K is actually for design work and followed by the actual construction. We look to smooth that out over the long range. There is a plan behind this.

There is a chance that later this spring we may have to do a 4% increase to the sewer rates. And again, that is because 100 percent of our sewer system is dictated by end of year. So as those costs continue to go up every year, we had a 4 percent increase, I believe it was about 18 months ago. We'll review that this spring.

Advisory Question: Is this the Deer Island thing? There were increases in the sewer prices. Isn't that going to stabilize? Because it's a cessation of some kind, isn't it, for the Deer Island plant?

- Their charge is that they're passing along is not just for the cost of the plant, but also for the entire infrastructure and the operation. It's a service that we're subscribing to, but we have a system to maintain and personnel costs. We capture it through our rate structure. But it's they send us essentially a single bill.
- We think this is a good option. And one of the things that we're very mindful and proactive about is that it's a zero sum game. So all the communities are putting material into the island. It's a piece that we're all sharing, a piece of the pie.

Advisory Question: So I'm not that familiar with the MWP. Is there any rate setting body that monitors and sort of puts brakes on them? And who is that?

- So there's an advisory board that oversees that. And they've actually made some commitments about holding their rates relatively steady.
- Don't know of any regulatory body at the state level that sets rates for sewage and water rates and manages those increases.

Overview of other ATM articles: water fund, sewer fund, loan authorization, MWRA, acceptance or abandonment of easements (may only have one or two), and Hunnewell field project.

Advisory Question: Remind me for the easements in particular, least in the warrant, there are four named ones. Is that just an authorization to allow you guys to do it?

- Those are all tentative. If they are completed, we'll have them for Town Meeting.
- When we get to write up, we'll provide the map. So you'll have an opportunity to see those. But it might be later.

## MLP Presentation

Overview of MLP.

Budget Discussion:

FY21 operating budget is approximately \$32 million. Almost \$6 million less than 2019 and \$2.5 million less than last year. 20% of budget is stuff we do here within the town of Wellesley. That's up 2 percent from last year to this year. 80 percent of our budget are things that are out of our direct control: Purchase and transmission of power that that we resell to our customers.

Brief discussion of status of union contracts.

Advisory Question: Are the other departments that came in that have union contracts, there's no increase in your budget for that, correct?

- This increase is not built into this. And they'll be spread out across both our operating budget and capital plan budget.
- These are our wages which will come out of the revenues from the municipal light plant. This is not tax impact.

#### Power Purchase discussion.

60 percent of our budget. it is a charge that is imposed by the Federal Energy Regulatory Commission, but through our regional zone administrator, which is ISO New England, and it is a way to incentivize people to build the capacity to generate power.

We purchased power from about 10 different sources. 100 percent of our energy is hedged for 2021. Done over five years and it steps down over those five years. And this includes long term power purchase agreements with four wind farms and two hydro projects. And we are continually looking for more and better sustainable projects that we can buy into.

Advisory Question: So do you pay for the power or is this like buying an option?

- We pay for the right to take the power. So we'll take a certain percentage of whatever it is that they produce if they ultimately don't produce. We only pay for what we actually take, but we enter into a contract with them to buy a certain percentage of the power that they are producing each hour of each day for 10 years, 15 years, 20 years. But we pay for it as we use it, absolutely.

#### Continuing discussion of power purchases.

Advisory Question: What does the community relations group do?

- Community relations is reaching out to people like the sustainability community in town, schools, and the police, RDF programs, etc.

#### Discussion of Grid

We have absolutely been a beneficiary of the fact that the grid itself is greener. We've moved from coal and oil based power plants to gas fired power plants or dual fuel plants.

The grid has moved to more nuclear power, which is non carbon emitting. So we have benefited from that.

Advisory Question: What about the Block Island wind farm?

- There have been two sets of offshore wind off the south coast. The first one was gobbled up entirely by the investor owned utilities. The second one is one that municipals where we're able to participate in. We have jumped into that to the greatest

extent that we can. The price is higher than some of the other sustainable initiatives, but it comes with some grant money back

### Discussion of Renewable Energy

We're twenty nine percent. Non-emitting 20 percent renewable, and that does not include what will be about 3 to 4 percent of renewables that will be purchased as part of the voluntary renewable energy program.

Advisory Question: With regard to the citizens petition, which is encouraging the MLP to have the voluntary program become an opt out program, do you guys have an opinion on that?

- We had the proponents come and talk to us Monday night. We had a frank and open discussion of the entire issue. We did not finish our discussion and we were planning on taking it up again at our next meeting.
- No philosophical problem with turning the program into an opt out program, but there's sort of two factors that that are also in play. We want to be able to say to people we are spending this money very wisely and very well and we are getting a good return on your money. The other thing to consider is we will have money, particularly from our non operating expenses that we can put into sustainability initiatives.
- We authorized the director to create a working group under his direction that will reimagine VRep program.

Advisory Question: Hypothetically, So the voluntary program is meant to purchase renewables?

- It's meant to purchase recs.

Advisory Question, cont: So the opt in just allows you to go in and buy more RECs to kind of add to the pot. So in addition to the power you're actually purchasing, you're taking the voluntary program, purchasing more RECs and then tearing them up?

- voluntary renewable program started many years ago, with a large number of people signing up. Only way that we could fulfill what we had promised those people was to buy renewable energy credits (RECs).
- Eventually found renewable power, entered into long term power contracts. Eventually got to the point, we obtained those RECS with that power and retired those RECs. That got to be much higher than the participation in the program. So last summer decided to put all of those power purchases in one bucket and we thought, what are we going to do with his voluntary renewable program?
- We decided that we did not want to do away with the program because we had a lot of people that were that were had opted in, that were very interested. And we wanted to maintain that that membership. So we decided that what we would do is as a place holder, we would take that money and we would go out and buy what are called unbundled RECs in the open market and later figure out best way to use contributions.

Further discussion about how RECs work with Voluntary renewable program.

Advisory Question: If we were to go to an opt out program how many dollars of RECs would you have to buy to get from 23 to 60 at today's pricing?

- It would be approximately \$3.9million.

#### Continuing discussion about the citizens petition and subject of lowering emissions.

Advisory Question: Storage in the grant for batteries: Does that mean that that the MLP is going to be getting deep into lithium ion?

- There are a variety of battery storage options; haven't decided exactly when we will jump into the storage, but on our radar.
- Energy storage is not necessarily just in a battery. Some of the less expensive and really interesting programs, you store it in your hot water heaters and turn off your hot water heater during that peak demand period and your water will stay hot for many, many hours.

#### Discussion of Demand Response Program and Emissions reduction goals

They have not had the chance to finish discussion of the citizen's petition or vote on it as a board

Advisory Question: Those numbers you gave on the percentage of renewables is declining unless I misunderstand?

- That is because what we what we count in that chart are firm commitments that we have at this point. So we have some that are expiring over the next couple of years.
- If we have one that is expiring, until we renew or replace it, the chart will just show them expiring and going away.

We have things in the pipeline today to increase renewables. Building with a megawatt of solar likely to happen before 2021. Another project we can't talk about quite yet. We have a variety of things in the pipeline.

Advisory Question: Do you retire RECs?

- Unless there's a very specific project that we need to fund, we will retire all of the RECs that we receive from power purchase contracts, from renewable energy that we purchase in the past.

Advisory Question: If you were told that you needed to hit 60 percent renewables next month, do is there the capacity to get there?

- If we had to get 60 percent renewable next month, the only way to do that would be to go out and buy bundled RECs on the open market.
- And to stay at 60 percent, you need to continue to buy RECs. It's not a one time purchase.

Advisory Question: With regard to the percentage of CO2 emissions dropping. It's already down in 2020 - 60 to 70 percent less. Do you have a view as to what that number would change to if somebody waved a magic wand and you were able to get the 60 percent renewable?

- I don't know.
- Of course, what everybody is interested in is our capital work plan. The bar for 2021 goes up significantly from what we've been doing over the past couple of years. And this is also a result of that spike in the forward capacity market. We have curtailed the aggressiveness of our capital work plan until we passed by that peak in in costs. And you can see some of the things that we're going to be working on.

Continued Budget Discussion:

\$5.5million is the minimum that Standard & Poor's wants us to have for our cash reserve.

2020 purchases from the grid are spiking back up. we're working hard to not let happen. We're going to continue to keep driving down the stuff. The electricity that we simply have to buy from the grid.

Liaison Reports

Schools: Still in conversation with the Board of Selectmen about budget and how to fill the gap. School budget this year is incredibly lean but they are talking about how to reduce the budget to help fill the gap.

Discussion on budget gap and how there was originally a misunderstanding about how the school budget was calculated. BOS thought Schools had not counted the turnover which had been embedded in their budget.

Further discussion about Advisory getting information from BOS and other departments regarding Article 8.

Scheduling discussion and discussion about advisory book logistics.

Patti Quigley moved and Lina Musayev seconded a motion to adjourn.

Motion passed, 11-0-0.