

**MINUTES OF THE  
MUNICIPAL LIGHT BOARD  
FEBRUARY 25, 2019**

**PURSUANT TO** notice given the Wellesley Municipal Light Board (“Board”) met in the Municipal Light Plant (“MLP”) Gordon F. Kingsley Board Room, 4 Municipal Way, at 5:00 PM.

**PRESENT**

Those present included Chair Edward J. Stewart, III and Commissioners Paul L. Criswell and Jeffrey P. Wechsler. Also in attendance were MLP Director Richard F. Joyce, staff members Debra J. Healy and Donald H. Newell. In addition, Advisory Representative William Maynard and Energy New England Chief Operating Officer, Timothy J. Hebert were in attendance.

**Executive Session.** Mr. Stewart requested a meeting in Executive Session to discuss confidential financial terms and conditions of the offshore purchase power agreement (“PPA”). The secretary, Mr. Wechsler, polled each Member individually to enter into Executive Session for the sole purpose of discussing the PPA’s financial commitment. Each Board Member answered in the affirmative and the Board entered into Executive Session at 5:00 PM.

**Return to Public Session.** The Board returned to Public Session at 5:40 PM.

**Additional Attendees.** Joining the meeting were MLP staff members David M. Allen, Kevin P. Bracken, Ann G. Collins, Terrance J. Connolly, Cynthia R. Lowe, William H. Marsh, and Daniel J. Trant. Also attending were Katharine Gibson, Ellen Korpi, Laura Olton and Mary Gard.

**APPROVAL OF MINUTES**

Upon a motion made by Mr. Criswell and seconded by Mr. Wechsler, it was unanimously

**VOTED:** To approve the January 28, 2019 Public Session Minutes as written.

Upon a motion made by Mr. Criswell and seconded by Mr. Wechsler, it was unanimously

**VOTED:** To approve the January 28, 2019 Executive Session Minutes as written.

**CITIZEN SPEAK**

Mr. Stewart presented all of those in attendance with an opportunity to speak on matters pertaining to the MLP. No one wished to speak.

**DIRECTOR’S ITEMS**

**Financial Statements.** The Director reviewed the Fiscal Year 2019 (“FY19”) Income Statement. Revenue increased by \$2,100,000 compared to Fiscal Year 2018 (“FY18”) primarily as a result of a 9.3% increase in sales. Expenses for energy purchases and transmission increased by \$1,100,000. To date the FY19 operating loss of \$1,017,000 is \$1,494,000 less than FY18. Mr. Joyce reviewed the \$1,000,000 transfer of available cash from a capital reserve account to the MLP’s general fund. Since the five-year capital plan can be funded from depreciation the capital fund was reduced from \$2,000,000 to \$1,000,000. The MLP is on target to end FY19 with an ending available cash balance of \$5,000,000.

**Tree Trimming.** Construction Engineer, Daniel J. Trant provided an update on the progress made in FY19 with the Wellesley and Devens tree trimming. The three-year trimming cycle in both locations is on schedule to be completed. Wellesley's costs are below budget while Devens tree trimming expenses are higher than estimated due to additional 69 kV right-of-way clearing. The Board thanked Mr. Trant for his supervision and acknowledged the reliability benefits Wellesley and Devens residents and businesses receive.

**Standard & Poor's ("S&P").** Assistant Director Debra J. Healy summarized S&P's reaffirmation of the MLP's "AA Stable" credit rating. In this year's rating S&P emphasized the MLP's financial strengths resulting from a conservative power supply, low rates and financial forecasting. The MLP's rating is the highest given to any electric utility in New England by S&P. The Board and Ms. Healy discussed the benefits of maintaining a "AA Stable" credit rating.

**Employee Attendance.** During the 2018 calendar year 22 of 29 MLP employees did not miss a day of work due to illness or work injury.

**Solar Rebate Program.** Mr. Allen reviewed the proposed guidelines for the MLP's participation in the Massachusetts Department of Energy Resources ("DOER") municipal solar program. The MLP has made a \$115,000 non-firm commitment to match the anticipated DOER solar rebates in Wellesley. The MLP and DOER rebate will each be \$600/kilowatt ("kW") for residential installations up to 10 kW. Solar installations may exceed 10 kW but the MLP and DOER rebate will not apply to installations above 10 kW. Mr. Allen and the Board had a lengthy discussion on the MLP's net metering policy. Wellesley is the only Massachusetts town or city that provides a full retail rate for all solar kilowatt-hours generated. The Board asked Mr. Allen to provide a financial analysis comparing the additional costs the MLP incurs to more traditional solar purchases. Mr. Criswell informed the Board of his interest in a solar installation at his residence and potential participation in the solar rebate opportunity.

**Inspector General Report.** The Board and Director discussed the recently issued "Sick-Leave Policies and Payouts at Municipal Light Plants". The MLP was one of the light plants the Office of the Inspector General identified as not incurring any costs for sick-leave payouts.

**Municipal Electric Association of Massachusetts ("MEAM").** The Board asked what role MEAM offered to public power. The Director said Wellesley's participation was limited to responding to surveys. MEAM coordinates legislative efforts through a lobbyist and a legislative committee but the MLP does not actively participate.

## **ADJOURNMENT**

The Board meeting adjourned at 6:50 PM.

Respectfully submitted,

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Jeffrey P. Wechsler, Secretary

**EXECUTIVE SESSION MINUTES OF THE  
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**PRESENT**

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**Offshore Wind Purchase.** Mr. Joyce asked Mr. Hebert to explain why the battery storage component was included in the offshore wind purchase and what the financial impact this inclusion has on the energy purchase price. Mr. Hebert detailed ENE’s negotiations and the need to meet a December 31, 2018 firm commitment deadline. A lengthy question and answer session ensued with respect to the financial terms, risks and power supply impact. The Board asked a number of questions regarding the cost-benefits of battery storage and the need for Wellesley to be actively involved with the location and selection of the battery manufacturer. Mr. Hebert informed the Board that given the MLP’s five megawatt firm commitment to purchase off-shore wind, a similar-sized battery would be installed in Wellesley. Mr. Hebert said ENE values the MLP’s input and Wellesley would actively participate in all aspects of the purchase power agreement and battery purchase. The Board had no further questions and thanked Mr. Hebert for his attendance.

**ADJOURNMENT**

There being no further items to be discussed in Executive Session, Mr. Wechsler polled each individual Member to return to Public Session. Each Board Member responded in the affirmative and adjourned the Executive Session at 5:40 PM.

Respectfully submitted,

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Jeffrey P. Wechsler, Secretary