

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
MAY 6, 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 5:30 PM.

PRESENT

Those present included Chair Edward J. Stewart, III and Commissioners Paul L. Criswell, David A. T. Donohue, Ellen L. Korpi and Jeffrey P. Wechsler. Also in attendance were MLP Director Richard F. Joyce, staff members Kevin P. Bracken, Ann G. Collins, Terrance J. Connolly, Debra J. Healy, William H. Marsh, Stephen G. Neshe, Donald H. Newell and Daniel J. Trant. In addition, Advisory Representative William Maynard and Wellesley residents Chris Farley and James Gorman attended.

APPROVAL OF MINUTES

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

VOTED: To approve the March 26, 2019 Public Session Minutes as written.

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

VOTED: To approve the March 26, 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

Department of Public Utilities ("DPU"). The Director requested Board approval and signatures for the submission of the 2018 DPU Report. This Report requires the MLP to provide calendar year 2018 financial information so the staff combined the last six months of Fiscal Year 2018 and the first six months of Fiscal Year 2019 ("FY19"). All Board Members were in agreement and signed the DPU Report.

Five-Year Financial Forecast ("Forecast"). The Board and Director reviewed the impact Forward Capacity Market ("FCM") costs had on the MLP's available cash. This Forecast contained much more uncertainty than prior forecasts due to the load growth from the addition of Babson College's Athletic Center, Wellesley Sports Center and Wellesley College. The staff expects to meet Standard & Poor's minimum available cash requirement of \$5,000,000 at the end of FY19. With the expected decrease in FCM costs available cash is expected to exceed \$14,000,000 in Fiscal Year 2022. A lengthy discussion ensued on the financial impact Footprint Power had on FCM prices. Mr. Donohue noted the importance non-operating revenue had on the proforma Net Income.

Directors Objectives. Mr. Joyce reviewed the six objectives that were completed and the six on schedule to be completed by the end of FY19. Significant progress has been made in finalizing a roof lease agreement with the Wellesley Sports Center but that objective is unlikely to be completed by year-end.

Third Quarter Reliability. Assistant Director Donald H. Newell reviewed the third quarter and year-to-date reliability results. During the third quarter of FY19 there were nine power outages affecting 1,087 accounts compared to fourteen outages and 2,475 accounts the previous year. The largest outage occurred on January 24th when 500 homes were without electricity for 50 minutes due to heavy snow and high winds. There were 24 total outages during the first nine months of FY19 compared to 43 for the same period in Fiscal Year 2018.

Voluntary Renewable Energy Program (“VREP”). The Board’s decision to retire all renewable energy certificates (“RECs”) within the MLP’s power supply portfolio effective July 1, 2019 will bring an end to the current VREP. On April 1, 2019 a meeting was held with a number of current participants to identify a successor program. Although all meeting participants were in agreement Wellesley’s VREP was successful, the group was divided on the purchase of Massachusetts Class I RECs as a substitute renewable energy source. Those opposed to the REC purchase were of the opinion these funds were insufficient to actually result in the construction of new renewable generation. Rather than purchasing and retiring RECs this group supported collecting funds in support of Wellesley specific conservation and renewable projects. The opposing viewpoint was that the purchase of RECs was recognized by the Massachusetts Environmental Protection Agency as a means to comply with Global Warming Solutions Act (“GWSA”) requirements. Mr. Joyce emphasized the need to implement a successor program within the next two months. Given this time constraint he was of the opinion the VREP would have to be terminated and re-established at a later time or implement a short-term alternative of purchasing and retiring Class I RECs. Given the past success of the Town’s VREP and the fact the purchase and retirement of RECs met the Commonwealth’s GWSA requirements, Mr. Joyce recommended the REC retirement alternative. After a lengthy discussion all Board Members were in agreement and

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

VOTED: To continue with the Voluntary Renewable Energy Program with the market purchase and retirement of Massachusetts Class I Renewable Energy Certificates with the Director authorized to establish applicable participation percentages. It was further agreed that the Board and staff would explore opportunities to broaden the program by incorporating Wellesley specific conservation and renewable funding alternatives.

Distributed Antenna System (“DAS”). The Director informed the Board American Tower Corporation (“ATC”) has not met Milestone 6 in Schedule 1 which allows the MLP to terminate ATC’s “Exclusive Marketing Rights”. On June 15, 2019 it will be four years since a wireless carrier agreed to the installation of a DAS node in Wellesley. It appears the future deployment of 5-G wireless communications has made the current neutral host DAS uneconomical. The 5-G technology will require proprietary networks and more antennas but will be more attractive to individual carriers. The MLP has not received any aesthetic complaints regarding pole-mounted antennas but the additional radio wave frequency requirements would need to be addressed by the MLP and carriers. Mr. Joyce met with Verizon Wireless in an attempt to resolve coverage issues at Waterstone. Based on that meeting he was confident Verizon, AT&T and T-Mobile would be more likely to expand cellular coverage if the MLP agreed to install a proprietary DAS network. Mr. Joyce asked the Board for authorization to formally notify ATC that their “Exclusive Marketing Rights” were terminated and the MLP would pursue cellular expansion directly with individual carriers. All Board Members were in agreement.

Human Resources Guidebook. The MLP staff has met with Town Counsel to identify the best practice to incorporate Massachusetts General Law 164 (“M.G.L. 164”) within the Town of Wellesley’s Human Resources Guidebook. M.G.L. 164 is the legislation that was enacted to establish and govern Massachusetts municipal light plants. The MLP provides an essential service that is unique from traditional town departments so M.G.L. 164 expands the authority of the Board and Director to allow them to fulfill their fiduciary responsibilities to electric ratepayers. Mr. Joyce referred to page 3 of the MLP’s Human Resources Guidebook and noted only eight of the Town’s fifty-seven policies were being revised and five of the eight were partial revisions. The Board supported the need to establish MLP-specific policies and upon a motion made by Mr. Criswell and seconded by Mr. Stewart it was unanimously

VOTED: To approve the Municipal Light Plant Human Resources Guidebook developed in accordance with Massachusetts General Law 164 to recognize the legislative authority provided to the Commonwealth’s municipal light boards and municipal light plant managers.

Financial Statements. The staff reviewed the March financial results. The MLP is on schedule to end FY19 with an available cash balance of \$5,000,000. Mr. Joyce reviewed the capital expenditures for providing internet service. Expenditures have exceeded the preliminary budgeted amounts to make the MLP’s internet service available to all Wellesley businesses. Initially the MLP planned to provide service to a few targeted areas. This expansion was contemplated for Fiscal Year 2020 with an approved capital expenditure of \$314,000. Since January 1, 2019 the MLP has been funding internet service with non-operating revenues.

Wellesley College. Assistant Director Debra J. Healy reviewed the College’s plans to replace their existing generators with a combination peaking plant and all requirements service from the MLP. Wellesley College and the MLP agreed on a Side Agreement that extended the current Backup Supply Agreement through September 30, 2019 under the same terms and conditions. The Board thanked Ms. Healy for working so cooperatively with Wellesley College.

Director Search. The Director and Board discussed the need to conduct interviews of the three finalists in an open meeting forum. Interviews will be held on May 22nd in the MLP’s Peter Bracken Gathering Room. The interviews will be scheduled by the executive search firm Mycoff, Fry & Prouse at 1:00 PM, 2:30 PM and 4:00 PM.

Electric Vehicle Charging Program. Assistant Director Donald H. Newell informed the Board the MLP had entered into a Services Agreement with Sagewell, Inc. The “Bring Your Own Charger” (“BYOC”) Electric Vehicle Load Management Program compensates electric vehicle owners at \$8.00/month for not charging during peak hours. The BYOC program will be launched in May in partnership with the Sustainable Energy Committee. A sub-committee has been formed to develop a program to market the BYOC. Mr. Newell was of the opinion the initial BYOC will serve as the foundation for future upgrades to vehicle electrification. The Board and Mr. Newell had a lengthy discussion on the environmental benefits transportation electrification provides in the reduction of greenhouse gas emissions. All Board Members expressed their support for the BYOC.

Sustainable Energy Committee (“SEC”). Mr. Stewart recommended Ellen L. Korpi as the MLP representative to the SEC. Upon a motion made by Mr. Criswell and seconded by Mr. Wechsler, it was unanimously

VOTED: To elect Municipal Light Board Member Ellen L. Korpi as the Municipal Light Plant representative on the Town of Wellesley Sustainable Energy Committee.

Executive Session. Mr. Stewart requested a meeting in Executive Session to discuss various financial terms and conditions to establish a revised "Partial Requirements Rate Schedule" tariff for Wellesley College. The Secretary, Mr. Wechsler polled each Board Member individually to enter into Executive Session for the sole purpose of discussing a revised tariff for Wellesley College. Each Board Member answered in the affirmative and the Board entered Executive Session at 7:30 PM.

Return to Public Session. The Board returned to Public Session at 7:45 PM only to adjourn.

Respectfully submitted,

Jeffrey P. Wechsler, Secretary

**EXECUTIVE SESSION MINUTES OF THE
MUNICIPAL LIGHT BOARD
MAY 6, 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 7:30 PM.

PRESENT

Those present included Chair Edward J. Stewart, III and Commissioners Paul L. Criswell, David A. T. Donohue, Ellen L. Korpi and Jeffrey P. Wechsler. Also in attendance were MLP Director Richard F. Joyce, Assistant Directors Debra J. Healy and Donald H. Newell and Advisory Representative William Maynard.

Wellesley College. The Director reviewed three financial models regarding the cost to provide electric service to Wellesley College. These models included:

- Energy, capacity, transmission and capital costs;
- Cost recovery under the Large General-Primary Rate Tariff; and
- Cost recovery using a proposed tariff that reflects all requirements service with peak shaving benefits.

The Board and Director discussed various variables and areas of exposure with the proposed peak shaving financial model. The Board authorized the Director to enter into negotiations with Wellesley College and finalize a peak shaving agreement conditional upon Board approval prior to execution.

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 7:45 PM.

Respectfully submitted,

Jeffrey P. Wechsler, Secretary