

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
MAY 28, 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 David M. Allen, 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. Others in attendance were Advisory Representative William Maynard and Wellesley resident Phyllis Theermann.

APPROVAL OF MINUTES

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

VOTED: To approve the May 6, 2019 Public Session Minutes as written.

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

VOTED: To approve the May 6, 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

Portfolio Emissions Evaluation. The Board’s January decision to retire all renewable energy certificates (“REC”) within the MLP’s power supply portfolio required Energy New England (“ENE”) to update their “Portfolio Emissions Evaluation”. In addition to the REC retirement the MLP added two new renewable resources, Granite State Wind and First Light Hydro as well as Seabrook. The Director referred to Page 2 in which ENE summarized Wellesley’s electric sector’s carbon emissions reduction. The MLP’s greenhouse gas reduction will exceed the Town of Wellesley’s 2020 goal of 25% in the following years:

- 2018 reduction of 31%;
- 2023 reduction of 69%; and
- 2024 reduction of 54%.

Mr. Joyce and the Board discussed the benefit of using ISO-New England’s generator air emissions data versus eGRID.

Distributed Antenna System (“DAS”). The Director provided an update on the MLP’s decision to terminate American Tower Corporation’s (“ATC”) Exclusive Marketing Rights as of June 15, 2019. The MLP has entered into discussions with AT&T, Verizon and T-Mobile regarding the expansion of wireless cellular coverage to all Wellesley residents and businesses. A meeting is scheduled with Town Counsel on June 3rd to identify legal and contractual requirements.

Fiscal Year 2020 (“FY20”) Streetlight Rate. The retrofit of 2,881 streetlights with light emitting diode (“LED”) fixtures reduced the Town’s annual streetlight consumption from 1,880,000 kilowatt-hours (“kWh”) to 925,680 kWh’s. Based on Massachusetts General Law 164, section 58 the staff calculated the FY20 streetlight rate to be \$0.15162. The LED retrofit will save Wellesley taxpayers \$144,700 in FY20 alone. Streetlight costs for FY20 will be virtually the same as the \$144,000 approved by Town Meeting. The Board was in agreement the savings to taxpayers and environmental benefits justified the MLP’s retrofit investment. Upon a motion by Mr. Donohue and seconded by Mr. Stewart it was unanimously

VOTED: To approve the Fiscal Year 2020 streetlight rate of \$0.15162/per kilowatt-hour rate based on the formula provided within section 58 of Massachusetts General Law 164.

Municipal Solar Rebate. Mr. Allen reviewed the Massachusetts Department of Energy Resources (“DOER”) rebate Program. Mr. Allen has received preliminary interest from at least a dozen residents. With a combined funding of \$230,000 from the MLP and DOER, Mr. Allen has estimated a minimum of nineteen new solar installations.

Financial Statements. The Board and staff reviewed Page 4, “Annual Statement of Cash Flows”. Given the proximity of accounts receivable and accounts payable balances to projected year-end balances, the Director was confident the MLP would end Fiscal Year 2019 (“FY19”) with a \$5,000,000 available cash balance. Although the MLP anticipates operating losses in May and June these losses include non-cash depreciation expense. The MLP’s cash will also increase from the \$84,000 Community Preservation Committee reimbursement and about \$90,000 from scrap copper sales. Mr. Joyce reviewed the revenue and purchase power financial impact due to Wellesley College’s increased usage. The MLP significantly under estimated FY19 Forward Capacity Market (“FCM”) costs as a result of a reserve margin in excess of 50%. The FY20 and Five Year Financial Forecast have factored in the reserve margin in future FCM costs. The Director also reviewed the added costs the expanded energy audits and retention of consultants have had on the Customer Service and Administrative & General budgets, respectively.

FY20 Board Meetings. Assistant Director Debra J. Healy reviewed the proposed FY20 Board Meeting schedule. As in past years the meetings have been scheduled on the last Monday of the month whenever possible. Based on the Board’s feedback, Ms. Healy agreed to revise the schedule and post it on the MLP’s website.

Mass Development-Devens. Mr. Newell reviewed the Request For proposals the Massachusetts Development Finance Agency issued for “Operation and Maintenance Services for the Devens Electric Utility System”. The proposal submission deadline is 4:30 PM, June 7, 2019. Mr. Newell reviewed the historical financial results. Mr. Newell informed the Board that Devens’ reduction in capital spending had a significant negative financial impact and recommended submitting a proposal with a higher price. The Board asked if the MLP would have to reduce its workforce without Devens. Mr. Newell thought the MLP would have to downsize. The MLP’s proposal would be non-binding, subject to final approval from the Board.

Executive Session. Mr. Stewart requested a meeting in Executive Session to discuss the terms and conditions for an EMPLOYMENT AGREEMENT with Donald H. Newell. The Secretary, Jeffrey P. Wechsler polled each Board Member individually to enter into Executive Session for the sole purpose of preparing an employment offer to Mr. Newell as the MLP Director. Each Board Member answered in the affirmative and the Board entered Executive Session at 6:45 PM.

Return To Public Session. The Board returned to Public Session at 7:20 PM.

Employment Agreement. The Board authorized Ms. Healy to finalize an EMPLOYMENT AGREEMENT offer to Donald H. Newell incorporating Town Counsel's revisions along with the following terms:

- August 1, 2019 start date;
- July 31, 2022 end date; and
- \$170,000 starting salary.

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

VOTED: To appoint Donald H. Newell as the Wellesley Municipal Light Plant's representative on the Energy New England Board of Directors effective May 28, 2019.

Director Search Committee. With the selection of Mr. Newell as the MLP Director, all Board Members were in agreement with the disbandment of the MLP's Director Search Committee. All Board Members requested that the Minutes reflect the Board's appreciation for the Committee's excellent work in identifying three, well-qualified finalists.

ADJOURNMENT

The Board Meeting adjourned at 7:25 PM.

Respectfully submitted,

Jeffrey P. Wechsler, Secretary

**EXECUTIVE SESSION MINUTES OF THE
MUNICIPAL LIGHT BOARD
MAY 28, 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 6:45 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 employees Richard F. Joyce and Debra J. Healy and Advisory Representative William Maynard.

Employment Agreement. Ms. Healy reviewed the revisions Town Counsel, Thomas J. Harrington recommended. Mr. Joyce reviewed the average annual salaries of Massachusetts municipal electric general managers within +/- 30% of Wellesley. Mr. Joyce recommended a salary above the average to take into consideration the added responsibilities for Devens, internet, distributed antenna system and supervision of the Water & Sewer Customer Service function. Mr. Joyce also recommended a three-year employment term consistent with the contractual length given to most general managers. After a lengthy discussion the Board agreed on a salary, start date and contractual term.

Return To Public Session. 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 7:20 PM.

Respectfully submitted,

Jeffrey P. Wechsler, Secretary