

***Paxton Municipal Light Department
578 Pleasant Street
Paxton, MA 01612-1300
Light Commission Meeting
May 17, 2022***

- I. Call to order: The meeting was called to order by Chairman Wheeler at 5:34 p.m. Members present: Emerson Wheeler, Yvette Orell, Mike Benoit, and Tara Rondeau, Manager. Public Attending: Adam Schremser from Goulet, Salvidio & Associates and Besnik Bytyqi.
- II. Approval of Agenda: Orell motioned to approve the agenda with the Reorganization of the Board moved to the end of the meeting and public comment moved before the audited financials; Benoit seconded. Motion passed 3-0.
- III. Public Comment: Mr. Bytyqi, 460 Marshall Street, would like the board to consider allowing him to connect an additional solar panel that is already installed on his array. His original agreement was made with the manager for 31 panels, he purchased 32. He explained that he now has an electric car which he will be charging at home thus increasing his load. Bytyqi has spoken with the manager who has denied his request since that would put him over the 10kW maximum for any residential solar, his is currently at 9.921 kW. Wheeler explained that PMLD has existing contracts for power purchases that are 2-3 years out. The board has to think of all rate payers paying their fair share. Benoit stated that the caps were voted on and accepted years ago by the board, with the intention of keeping a customer's solar installation size at or as close to a \$0 balance as possible so as not to allow for large negative credits on anyone's accounts. Those credits would be subsidized by the other rate payers of Paxton. And, solar customers still need to contribute to the maintenance and upkeep of the distribution system since they will be using electricity on cloudy days and at night.

The board will take into consideration Mr. Bytyqi's request and address it at the next Board meeting in June. This will allow time for the board to do some research.

- IV. 2021 Audited Financials: Adam Schremser from Goulet, Salvidio & Assoc. provided the manager and each board member with a copy of the 2021 audited financials and the internal control report. Once again, PMLD has a qualified opinion due to the timing of the actuarial report from Worcester County Regional Retirement. The report is 3 years old and GASB standards only allow for 2.5 years. All light departments have the same qualified opinion.

Overview: PMLD's net worth decreased by \$122,711 or 4.6%. The net loss is a \$85,663 improvement over 2021. Operating revenues increased \$404,666 or 13% over 2021, operating expenses also increased by \$177,477 or 5.2% from the previous year. The increase in operating revenue is due to an 5.2% increase in electrical sales and a \$183,668 decrease in PPA liability attributed to the new rate structure adopted in July 2021. The 5.2 % increase in operating expenses is primarily due to a \$180,100 or 8.9% increase in power costs caused by higher gas prices. 3.7% of that increase was off set by a decrease in overall operational expenses. Non-operating income decreased by \$141,526 or 124%, due to investment losses.

A decrease in PMLD's net pension liability as well as the decrease in PPA liability helped PMLD's bottom line. The auditor stated that in his opinion, the PPA liability should be balanced in mid-2022 and monitored going forward by the manager. Orell asked how PMLD can better account throughout the year for the net pension liability adjustment provided by the auditors so as not to have one large entry at year end. The auditors explained that PMLD could use this year's numbers to create a monthly journal entry and then true up at year end.

The internal control report provided shows that 2 prior issues have since been resolved. The

issues with inventory have been corrected. The Town of Paxton investment policy, which had not been followed in the past, is now being properly managed with Bartholomew and Company.

- V. Approval of Minutes: Benoit motioned to approve the April 12th, 2022, minutes; Orell seconded the motion. Motion passed 3-0.

VI. Managers' Report:

A. Operations and Electrical Systems Updates:

1. The linemen have continued installing the AMI meters, to date 480 meters have been installed.
2. They:
 - a. Performed streetlight maintenance on West St., Richards Ave., Brigham Rd., and Rockland St. Benoit informed the manager that there are two streetlights out between Crowningshield Dr. and Grove St. The manager is concerned about the failure rate of the LED lights. She is working with MMWEC and Wesco to resolve the problem.
 - b. Trimmed branches on the lines on Grove St and Pleasant St.
 - c. Removed a fallen pine tree that took down 2 home services on Grove Street.
 - d. Set a pole and anchor on Rockland Street, the old one was damaged by a MVA.
 - e. Continued trimming on Asnebumskit Road
 - f. Chipped up brush and spread it down along the dirt road near the pole yard.
3. The linemen assisted the electrician at the ball field to get the lights working. Benoit asked about the ball field lights and if PMLD had assisted the Rec. Dept and Little League Director in the quote that was submitted at the Town's annual meeting. The foreman had provided that quote from one of PMLD's vendors. It only covers lights and not poles.
4. They attended a safety meeting in Holden on Enclosed & Confined Spaces.
5. The linemen trimmed back all brush around the PMLD building.
6. They redid the mailbox at the end of driveway to make it more weather resistant.
7. The linemen completed the three training with Landis & Gyr and Irby.
8. They attended the NEPPA E & O Conference for the workshops and vendors.
9. Outages: None to report

B. Office and Operations

1. PMLD's accounts receivable 90 days past due balance is \$19,644.75. Last year at this same time, it was \$28,977.15.
2. Only 2 three-day shutoff notices had to be sent out.
3. The office staff participated in the three day training with Landis & Gyr.
4. PMLD received \$3675 in lien payments from one customer for outstanding prior years (2015, 2019 and 2020).
5. PMLD received the safety grant money from MIIA for \$6419.

6. The manager enquired about the use of ARPA funds to assist with past due utility bills. No definitive answer was given.
 7. The manager sent the planning board a letter outlining PMLD's concerns regarding the streetlights on Olivia Knoll. An estimate of the cost for new replacement lights was also provided. The manager asked the planning board to withhold the cost of two years' worth of electrical charges from the contractors' bond until the town adopts the street and streetlights.
 8. The 2022 annual newsletter went out with the May bills. Customers with paperless billing received direct mailers.
 9. The manager was elected to a three-year term on the MMWEC Board of Directors.
 10. On May 4th and 5th, the manager attended MMWEC's annual conference held in Devens. Commissioner Orell attended the awards dinner. The manager will be attending the MEAM annual conference on May 19th and 20th in Plymouth.
- C. January financials: Operating revenue increased over December by \$51,571. Power costs increased by \$108,476. Overall net income increased from Dec. by \$164,761. This is partially due to a \$46,992 increase in residential electric sales and a \$3,000 increase in commercial sales. Non-operating income decreased by \$15,100 due to investment losses. The first quarter of 2022 has been the worst since 1980 for bonds and since 1926 for treasury. According to ISO, this has been the 2nd most expensive winter in the history of the wholesale market. The last time was the winter of 2013-2014 which was caused by a polar vortex. MMWEC provided an updated forecast for power sales. Since they presented PMLD with the last one, sales had been forecasted to increase by \$164,130 for 2022.
- D. MMWEC Updates-No significant updates to any of our projects.

At the annual conference a lot of information was provided about upcoming projects and climate initiatives. MMWEC is installing a 6.9 MW solar farm on its 285-acre campus. This will be the largest DC solar system in the state. They project it will be operational by Sept 2022. PMLD did not participate in this project at the advice of MMWEC analysts.

MMWEC is also installing a 100 MW battery storage on the campus at Stonybrook. PMLD did not participate in this project at the advice of MMWEC analysts.

MMWEC is preparing an RFP to solicit bids for batteries to be on site at each MLP that would like to participate in the project. MLP's can own the batteries outright or enter into a contract with the third-party vendor. Allowing MMWEC to procure the batteries for the MLP's provides aggregated buying power, standardized designs, spare part uniformity, and reduced costs for engineers, designers and legal. They anticipate having the bidding process completed by the end of August.

The manager from Groton Municipal Light did a presentation on their Time of Use Rates called "5 and 50". All electricity consumed between the hours of 12 am-4pm and 8 pm -12 pm will be at \$.05 per kWh, while peak consumption from 4pm-8 pm will be charged \$.50 per kWh. The goal is to shift their peak to reduce transmission costs. It is too new to gauge results.

The manager from Ipswich Light shared a presentation on their new project called "Tariff on Bill Financing". Ipswich will provide 80% financing for a customer's costs to install new heat pumps, solar arrays, batteries, and extensive weatherization. The tariff will be based on the energy savings provided by these new updates versus the prior costs for gas, oil etc. Each tariff will be tailored to the customers needs and will be tied to the home and not the customer.

Ipswich is currently securing the funding for this project and has not actually started it.

Upcoming Technologies:

Small modular reactors: These are more efficient, provide improved safety, are less costly, and require less land since the containment vessel is completely underground. Waste fuel storage is still a concern. France and Sweden are completing underground storage facilities that utilize encapsulating the waste containers in clay and robotically storing them 1200 feet into the earth's crust.

Fusion Energy: A pilot energy plant is being built in Devens that should be operational in late 2025 early 2026. It will be powered by fusion energy, which is free of co2 emissions and has no high-level radioactive waste. The company has created powerful energy magnets using water and lithium to control the plasma by converting the mass with extremely high temperatures. This will allow for small power plants in the future.

E. AMI Updates: Updates noted earlier.

VII. **Managers Job Evaluation:** Each commissioner completed an evaluation and submitted it to the manager for review. All provided a satisfactory review, with many categories exceeding their expectations. Orell noted that she felt that there are times when the financial statements provided to the board fall behind and should be no further out than three months. Orell also noted that the board had discussed continuing education for Rondeau. The board enquired as to if the manager had pursued any courses or workshops in the last year. The manager had not since covid had shutdown many facilities and Anna Maria College only allows for Paxton employees to take classes onsite. The Board agreed that Rondeau could investigate other options.

Benoit moved that the board accept the manager's job review as satisfactory. Wheeler seconded the motion. Motion passed 3-0.

Orell reminded the board that merit increases based on the managers job review were to be handled at the December meeting.

VIII. **Other Business:**

1. The manager informed the board that she is working on a Driver's Policy, an IT Policy, and an Opt-Out Policy for AMI meters. The board asked the manager to add on next month's agenda: Discussion of AMI Opt-Out Policy and Discussion on Net Generation Policy.

2. The manager is also looking into the use of old utility poles and liability. Benoit suggested the manager call the pole manufacturer.

IX. **Reorganization of the Board:** Orell made a motion to make Benoit the Chairman, Orell the Vice-Chairman and Wheeler the Clerk. Benoit seconded the motion. Motion passed 3-0. Orell completed the reorganization paperwork required by the Town Clerk.

X. **Adjourn:** Benoit motioned to adjourn; Orell seconded the motion. Motion passed 3-0.

The meeting adjourned at 8:00 pm.

The Next Meeting is June 21st, 2022, at 5:30 pm.

Approved Minutes Submitted on behalf of the Paxton Light Commission

by Tara Rondeau on 6/21/22

Tara Rondeau
TOWN CLERK
PAXTON, MA

RECEIVED

JUN 27 2022