

**Mansfield Municipal Electric Department
Light Commission Minutes
September 11, 2013**

Present: George Dentino, Chairman; Olivier Kozlowski, Vice Chairman; Jess Aptowitz, Clerk; Doug Annino; Kevin Moran; William Ross, Town Manager; Gary Babin, Director; Tracey Whelan, Recording Secretary

1. Meeting called to order at 7:02 PM

Chairman Dentino called the meeting to order and stated that the meeting is broadcasting live on Mansfield Cable Access and this broadcast will be available at various times for viewing.

Chairman Dentino also called for a moment of silence in remembrance of 9-11.

2. Citizen Comments

None

3. Review and Approve Minutes of Meeting of July 24, 2013

Motion: To approve the MMED minutes from July 24, 2013 (Annino/Moran) **PASSES 4:0**
Vice Chairman Kozlowski was not present at this portion of the meeting.

4. Director's Report

Citizen Complaint for Tree Trimming - Kristine Keenan from 184 Park Street is present before the Board. Ms. Keenan provided the Board with emails sent to the Town Manager's office and photos of a tree in front of her home, which was trimmed by Asplundh, the Town's contractor, under MMED's direction. Ms. Keenan is seeking the removal of the tree as she feels it is now a hazard tree due to over pruning. Ms. Keenan stated she is not petitioning the Town to pay for the removal but to have the "expert company" correct what has been done. Ms. Keenan read a statement.

Gary Babin, Director of the Mansfield Municipal Electric Department, explained to the Board that a few weeks ago, Asplundh, the Town's tree trimming contractor for electric line clearance, trimmed a private tree at the Keenan's residence at 184 Park Street (corner of East and Hope). Shortly thereafter, the Town Manager's office received a complaint, via email from Ms. Keenan, regarding the tree trimming performed on the privately owned tree.

Mr. Babin stated that he met with Mr. Keenan the next day at the property to discuss the issue. Subsequent to that, Mr. Babin reported he met with the Asplundh foreman, who is a certified arborist and was the supervisor of the crew that did the work. The supervisor told Mr. Babin that the trimming was consistent with accepted practice of the industry. Mr. Babin provided the Board with materials from Asplundh. Mr. Babin did meet with the Keenans again and provided them

with the same materials given to the Board, which reviewed the side pruning style used in this case.

Two things stood out to Mr. Babin; 1) it is unknown what the tree looked like prior to the trimming and 2) it is fair to say that the Town has an aggressive tree trimming policy and that is partly why the Town's electric service is so reliable in maintaining service during storms like the hurricanes and ice storms of the last few years. Mr. Babin restated the Keenan's wish to have the tree removed at the expense of the contractor and that the Town's policy is to not remove private trees on private property.

Mr. Annino stated that in his opinion half the tree has already been taken down. Mr. Babin stated that the crew followed the side pruning style that was to take limbs back to the trunk. Ultimately, Mr. Babin stated that the crew is directed by the Electric Department and that the department is responsible for their actions. Ms. Keenan stated that the tree, as it stands now and regardless of what it looked like before, is not viable. Ms. Keenan explained that the tree is a Norwegian Maple, which has a shallow root structure, and without the effect of the inner branches it cannot sustain resilience to wind. Ms. Keenan felt it was common sense and the prudent thing to do to remove the tree.

Mr. Annino stated that although he is not an arborist it is his opinion that this is a "hack job". He stated that in looking at the photo of the tree it appeared that half of the tree has been removed and wondered what could happen in a severe wind storm, as the tree is now off balance. Mr. Annino felt that this is a tremendous liability for the Town, due to the majority of the weight now being on one side and was surprised this could happen to one of the Town's residents. Ms. Keenan reported that the Board could visit ripoffreporttreebuzz.com to view thousands of reports/testimonials against Asplundh.

Mr. Aptowitz stated that he drove by the property today and felt the tree does look terrible. Mr. Moran noted that the Town does have an aggressive tree trimming program and due to that the Town has been able to weather many storms. Mr. Moran's concern is that there are two differing opinions as to whether the tree is viable or not. Chairman Dentino in looking at the literature said it states that if severe pruning is required then tree removal should be considered. Mr. Dentino felt that the resident should have been informed of the two options but couldn't imagine that anyone would want pruning to that degree. Chairman Dentino stated that in the Town's Regulations there is a section on tree trimming.

Mr. Ross believed that the tree is on private property, which is a quandary, but by the same token, the Town has created a potentially hazardous situation. Mr. Ross stated that he and Mr. Babin would meet with Asplundh to see if they would remove the tree if that was acceptable to the Board. Mr. Annino added that the Town should also plant another tree. Mr. Ross was concerned with the site distance as that is a very busy intersection.

Motion: To ask Mr. Ross, Town Manager and Mr. Babin, Director of MMED, to meet with Asplundh to resolve the tree situation at 184 Park Street (Aptowitz/Annino) **PASSES 4:0**
Vice Chairman Kozlowski was not present at this portion of the meeting.

Review of FY13 Financial Results - Mr. Babin presented an overview of the MMED financial results for the FY13. Mr. Babin presented the Capital and Operating budgets separately.

Mr. Babin reported that net income for FY13 for the Operating Budget was \$2.183 million, which represented a 4.5% rate of return. Mr. Babin noted there was a significant additional plant booked in the last year for the East Mansfield substation so that rate of return was expected to decline. He said that this fact was raised in the Cost of Service study recently performed by Mayhew Seavey. Mr. Babin noted energy sales were up about 0.7% for the year and operating cash was \$8.5 million with a depreciation fund balance of \$2.6 million. Mr. Babin explained that most of the depreciation fund had been used for building the substation.

Mr. Babin reported that Purchased Power came in as budgeted with Transmission Expense coming in over \$1 million under budget, which came as a surprise. Mr. Babin noted that for controllable expenses (Distribution, Customer Accounts and A&G) the most significant thing that impacted those budgets was the OPEB healthcare obligation (retiree healthcare liability). Mr. Babin noted that this was not calculated into the original budget, per Board direction, in order to be consistent with what the Finance Committee was doing for the rest of the Town in regards to OPEB.

Olivier Kozlowski joined the meeting at this time (7:42 PM).

Mr. Moran noted that it seemed that indications were that Transmission expenses were tending to increase and inquired as to why it was so far under budget. Mr. Babin felt that it was a categorization issue between booking expenses to power supply when in fact, it should be booked to transmission and that he is digging deeper into that issue.

Mr. Aptowitz, in reviewing the balance sheet, noted that between June 2012 and June 2013 the net plant is only about an \$800,000 increase, and asked if the majority of the Bird Road Substation was paid for in June 2012. Mr. Babin noted that most of the equipment was received and paid for in FY12. Mr. Aptowitz stated he would then expect to see a big jump in net plant from last year to this year and felt that if cash is increasing each year and Bird Road is paid for then that should then go to the ratepayers somehow. Mr. Ross noted that there is still the significant underground portion of the project to consider over the next four to five years. With that, Mr. Aptowitz would like to see a quarterly cash flow for the next year.

Mr. Babin then presented the Capital Budget Summary and told the Board that the approved budget for FY13 was \$3,450,176 but that actual expenditures came in at \$1,520,833. Mr. Babin stated that the biggest impact on the budget was that Phases 1 and 2 of the East Mansfield Substation Manhole and Conduit Extension, for which the routing is down Maple Street from Bird Road to the Cate Springs water pumping station, was delayed, thereby deferring the \$1.5 million expenditure. The reason for the delay was that during the Utility Plant Extension process to approve the project that the Town conducts, it was realized that the Water Department is also planning to replace a water main on the same stretch of roadway. It was determined that in order to be more effective, the two projects should be combined under a single bid so that the location of utilities can be coordinated and the road excavated only once. The second reason for the delay is due to issues associated with acquiring the land to be used for the conduit route along the Copeland Road right-of-way, which has been determined to be the optimum route.

Mr. Kozlowski noted one of the criticisms heard, in regards to operations, was that departments of the Town do not work well together. Mr. Kozlowski was pleased to see an example of the Water and Electric Departments coordinating efforts.

Chairman Dentino asked that with respect to the installation of remote read meters, there was a plan to replace 4,500 meters and what actually happened was there was replacement of 3,465 meters, thus coming in under budget. The Chairman noted in actuality there are 1,035 meters sitting around to be installed so the under budget number is a paper number. Mr. Babin noted that staff in the meter department has been decreased by one due to attrition by retirement, which impacted the ability to install the full amount planned. He explained that while there were still three employees they were aggressive in the meter installation program in order to reach a critical mass so it had a significant impact on reducing meter reading time. Once the individual retired, the pace was slowed significantly and that to Chairman Dentino's point that money will still be expended over time. The department is currently staffed with two meter personnel.

Fuel Assistance Fund Donation - Pam West and Gale Farrugia of the Social Services Department are present before the Board. Mr. Babin explained that in 2008 the Light Department donated \$25,000 to the Fuel Assistance Fund, which was set up as a gift fund, to be administered by the Social Services Department. Mr. Babin noted that the donation was voted as a PILOT where the Board has discretion to allocate monies to make donations consistent with DPU opinions and Town Counsel review. Currently the Fuel Assistance fund has a balance of \$1,800.

Mr. Babin noted there is a separate donation made to the Electric Assistance Fund, which is used to help people pay electric bills. It is for needy residents who are evaluated by Social Services for eligibility and if deemed fit a portion of that fund is applied to their electric account, a maximum of \$500. Mr. Babin reported that this particular fund has a sufficient balance.

Mr. Babin stated that this year it was recommended that MMED donate to the Fuel Assistance Fund, which is more of an emergency fund. Mr. Babin provided the Board with information including the DPU opinion from 2007 on the Light Department's ability to make donations. He reminded that the Board had also asked for Town Counsel's opinion, which was Bob Mangiaratti from Murphy, Hess, Toomey and Lehane, and which has also been provided in the Board package. Town Counsel's opinion was that the Light Department had the authority to make a donation and that the Town had the ability to designate the money for a specific purpose.

Ms. Farrugia noted that since the 2008 donation of \$25,000, the Social Services Department uses approximately \$5,000 a year for recipients who need emergency oil and it is a one-time fill-up of 100 to 150 gallons, depending on the oil company. Ms. Farrugia stated this is a back-up for emergency purposes only and the money utilized appropriately. Ms. Farrugia is asking the Board to consider donating this money again. Ms. West noted that a full intake is completed and evaluates financial hardship, number of children, disability and people with medical issues.

Mr. Annino felt the Board should replenish the fund and that it is important for the Town to take care of their own.

Chairman Dentino noted that money had been put aside prior to 2008 for fuel assistance. He explained that during the first couple of years it was utilized for gas, oil and some electric but the Town was then informed that it could not use that money for gas or oil subsidies, it could only be used for electric. He inquired if the Town has now gone back to utilizing that money for gas and

oil, to which Ms. Farrugia reported that it is only for oil. Chairman Dentino reiterated that the Light Department's donation was only to be utilized for electric. Mr. Babin asked how far back that determination was made, which Chairman Dentino noted was prior to Mr. Babin's employment.

Mr. Babin stated that subsequent to that the Town has now gotten advisory opinions that allowed MMED to set up a Fuel Assistance Fund that would go towards oil but that if it was an electric heating issue that payment would be from the Electric Assistance Fund, further adding that the DPU opinion allows a fair amount of latitude and discretion of how the Board allocates PILOT payments and what they can be used for and that Town Counsel agreed. Chairman Dentino stated the problem was with the Department of Revenue and he does not recall two separate funds. He does not believe there is an avenue to utilize money received by the electric light department for other fuel assistance.

Mr. Ross said to keep in mind that the Town is prohibited from turning off residential electric from November through April and the same is true for gas. Mr. Ross noted this does not apply to oil companies so there is a differentiation. Ms. Farrugia noted that it has always been two separate accounts where one was set up specifically in 2008 for fuel assistance. Mr. Aptowitz asked, in order to clarify, if Chairman Dentino is saying that the Board should not be donating anything. Chairman Dentino explained that the Board can utilize money from electric for electric matters.

Mr. Aptowitz asked if the Board would be comfortable with getting an opinion from the current Town Counsel to which Chairman Dentino was not opposed. Mr. Ross stated that this is a much different situation because it is not a gift but rather a transfer of funds from one municipal department to another and that is the difference. Chairman Dentino believed a municipality could not fund anything on the Town side, except through a PILOT. Mr. Ross respectfully disagreed. Mr. Ross has asked John Stanbrook, Finance Director, to investigate this matter.

Footprint Power Plant Update - Mr. Ross reported that it appears there are some issues regarding financing of the MMWEC project leading to significant concerns. Mr. Ross and Mr. Babin will meet with MMWEC's Executive Director as they have reservations concerning the project. Chairman Dentino asked if it was safe to say that the issues had come up in this Board's previous discussions to which Mr. Ross stated yes. The Board had stated that they would be a part of the initial study, at a cost of \$5,000, with no commitment of moving into the project itself.

Bird Road Substation Dedication Ceremony - The consensus of the Board was to schedule this prior to the winter. It was decided to do it in early October. Chairman Dentino would like to see it scheduled for a weekend, possibly October 5th.

5. Comments from Commissioners

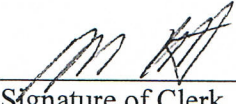
Chairman Dentino is looking for a timesheet regarding actual engineering work performed by the Department's Electrical Engineer. He asked Mr. Babin to research that.

6. Any Items Not Anticipated By the Chairman 48 Hours Prior To This Meeting

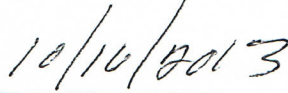
None

7. Adjournment

Motion: To adjourn the MMED Light Commissioner's meeting 8:44 PM (Annino/Moran)
PASSES 5:0



Signature of Clerk
/Tracey Whalen



Date of Approval