

**Mansfield Municipal Electric Department
Minutes of Light Commissioners Meeting
April 28, 2014**

Present: Chairman George Dentino, Commissioner Kevin Moran, Clerk Jess Aptowitz, Vice Chairman Olivier Kozlowski, Commissioner Douglas Annino, Director Gary Babin, Financial Assistant Jacqueline Lee and Town Manager William Ross

The meeting was called to order at 7:00 PM followed by the Pledge of Allegiance. Chairman Dentino stated that this meeting was being televised live and taped by Mansfield Cable Access for later broadcast.

There were no Citizen's Comments.

Motion: To approve the minutes of the January 29, 2014 Light Commissioners meeting (Moran/Aptowitz) Passes 5/0

FY15 Capital Budget - Director Babin reviewed the proposed capital budget of \$1,881,871 for FY15 which the MMED staff had developed. Within the capital budget there are four classifications. The first classification is one time projects which include building of the fiber optic network in the Industrial Park and the Gilbert Street Substation Relay Project.

The second classification is recurring projects which include Overhead Single Phase Primary Upgrades; URD Single Phase Primary Cable Replacement Upgrades; Direct Buried Underground Residential Single Phase Upgrades; East Mansfield Substation Manhole and Conduit Extension; Remote Reading Meters and Pole Replacements.

The third classification is Reimbursable Customer Projects.

The fourth classification is projects that are classified by plant account, one of which is replacement of a 15 year old digger derrick at a cost of \$250,000. Both Clerk Aptowitz and Vice Chairman Kozlowski questioned Director Babin about this truck. Director Babin explained that the truck is a 1999 vehicle in need of replacement as MMED has had to make some very expensive repairs to it. This particular truck was the back-up digger derrick as MMED is required to maintain two vehicles of this type and that this new truck will become the primary vehicle while the newer digger derrick will then become the backup vehicle. Clerk Aptowitz asked what the lead time was and Director Babin said it is one year because they're custom built. Chairman Dentino questioned what the maintenance costs on the truck were but Director Babin said that while he had some data with him he didn't have the complete vehicle repair history with him. Director Babin then stated that if the Board was uncomfortable with voting on this vehicle tonight he offered to pull the truck out of the budget and have the Light Commissioners vote on it separately at a later date. Everyone was in agreement with that except for Commissioner Moran who did not have a problem approving the truck at this time.

The second vehicle that is in need of replacement is a 2003 pick-up truck which would be used by the stand-by personnel at a cost of \$38,000. The current vehicle has 93,000 miles on it and has body rot, carriage rot, needs brakes and is used for plowing. Commissioner Annino wondered why this truck would be replaced with the same kind of vehicle if MMED was unhappy with the one they currently have. Clerk Aptowitz said that he had questioned a similar purchase for the Water Department but ended up approving it so he felt that he would be inconsistent if he did not agree with this purchase as

well. Commissioner Annino wanted this item pulled from the budget before they approved it that evening. Commissioner Moran didn't see the need to pull it because it had already gone through the capital budget process with the Capital Improvement Committee. However, he also thought that the Light Commissioners should have discussed this information earlier in the process and not just one week before Town Meeting. He suggested that since the information had been available at the end of December, the Light Commissioners should have been given this information in January or February so they could have asked their questions sooner. Town Manager Ross said to keep in mind that the MMED Capital Budget is not an article that is voted on at Town Meeting. Vice Chairman Kozlowski said he did not have a problem voting on this budget with this particular truck included.

Chairman Dentino questioned the need for the two MMED cars, one used by the engineer and the office staff and the other used by Director Babin. He wondered why the stand-by personnel couldn't use one of those cars instead of purchasing this new truck. Director Babin said that the truck is far better in bad weather conditions and also said they needed it for their equipment, tools and personal protective gear when responding to emergencies.

Clerk Annino then asked Director Babin about streetlight replacement and whether LEDs were more efficient than standard streetlights. Director Babin answered that LEDs have a projected 15 year life so while you get some level of savings through the energy reduction that the real justification is in avoided maintenance costs. He pointed out, however, that some people like the white light that LED's emit and justify it based on that. Clerk Annino would like MMED to look into LED lighting and get back to the Board with the information.

Chairman Dentino asked about the fiber optic network in the Industrial Park and questioned who did the design. Director Babin answered that it was being done with Phoenix Communications Inc. and that MMED participated in the design process as well as installing the fiber itself.

Chairman Dentino then questioned whether the projects that were listed in the budget reached the level of professional engineering. He said he didn't think that any of the recurring projects even required a professional engineer. Director Babin answered that one of the proposed projects does require professional engineering certification but most do not.

Motion: To approve the MMED FY15 Capital Budget as presented with the exception of the \$250,000 digger derrick (Aptowitz/Kozlowski) Passes 5/0

Director Babin distributed and reviewed a projected five year plan for the capital budget. He said that it was not necessary to approve it but that he just wanted to make the Board aware that MMED had prepared one. Clerk Aptowitz asked if a cash flow budget could be done periodically as well.

FY15 Operating Budget - Director Babin then reviewed the proposed FY15 operating budget which covers MMED's day-to-day business operations. He said that the net income for this budget is projected at \$1,287,580 which is up slightly from the FY14 budget. Commissioner Moran noted the significant drop in high tension revenues. Director Babin agreed and stated that there was a \$340,000 loss in revenue between CY11 and CY13 due to the closing of ADM and Smurfit Stone. Director Babin said this is a revenue issue that needs to be addressed.

Director Babin told the Board that total energy sales are projected to decline by 1.5% in FY15. He reported that MMED lost approximately 0.5% of kWh energy sales due to solar installations but that

the net metering recovery surcharge that was instituted in the tariff to recoup that money had offset the loss of revenue. Director Babin also explained there has been a decline in energy sales across the industry due solar installations by commercial customers. He reviewed projected Generation Charge and told the Board that the NextEra contract has been very good for MMED.

Clerk Aptowitz asked how the budget would be affected if the two bargaining units that do not have contracts did come to a resolution. Town Manager Ross said that the cumulative amount would not be a large amount and that he was in mediation with them trying to reduce the additional costs. He thought he would come out close to even and there would not be a large increase, if any. He added that these units have been without a contract for four years.

Clerk Aptowitz said he has some concerns about collections. He indicated that while new customers do not require a deposit if they sign up for direct debit he is concerned about what happens when direct debits start to bounce. He asked that Director Babin come back to the Board with information on that.

Chairman Dentino questioned the 80 manhours allocated to “weather” for each of the operations personnel. Director Babin explained that it is projected that 10 days per year are lost for operations personnel when bad weather keeps them in the shop. Clerk Aptowitz wondered what they did when they were in the shop. Director Babin said they did keep busy by doing things such as restocking the trucks. Chairman Dentino suggested calling people and asking them not to come in during bad weather but Clerk Aptowitz wondered if that would be a contractual matter. Town Manager Ross explained that an employee was required to use a vacation day or a personal day if they were unable to make it into work due to a snowstorm.

Motion: To approve the MMED FY15 Operating Budget as presented
(Moran/Kozlowski) Passes 5/0

2013 DPU Report - Director Babin presented the 2013 DPU report which MMED completes annually in-house. He told the Board that the DPU formally granted an extension on the due date from 3/31/14 to 4/30/14 for submission of the report from the DPU and requested that it be approved this evening. He explained that the DPU has limited jurisdiction over MMED but they do require this report. He then reviewed all of the information in the report.

Motion: To approve and sign the MMED Calendar Year 2013 DPU Report
(Aptowitz/Kozlowski) Passes 5/0

Financial Statements for March 2014 - Director Babin reviewed the financial statements for March 2014. There was a net operating loss year-to-date through March in the amount of \$606,804 because of the rebate MMED gave back to the customers in January and February. Director Babin said that the Generation Charge receivable stands at \$439,525. Year to date energy sales are down 1.9%. The depreciation fund balance continues to increase in order to fund MMED’s aggressive capital program.

Gilbert Street Substation Transformer T4 Repair Status - Director Babin said that MMED staff will take oil samples from transformers T3 and T4 and the analysis will give MMED an indication of how the improvements they made to T4 in November 2013 are working. He also pointed out an article in the Board package about Doble Engineering, which is the test company that MMED used to analyze the test results which led to the repairs on transformer T4, and their status as the industry leader in transformer testing.

Follow-up on Hancock Wind Project - Director Babin included a memo from MMWEC in the Board packet about the Hancock Wind Project. One of the companies that was to provide a portion of the funding pulled out and there was a court ruling that nullified a business arrangement with that company. He reported, however, that the project is still on course and he is hopeful that the financing issues will be resolved. He told the Board that MMED may have a delay in delivery of energy from the project but has no financial exposure or liability.

Petition for Joint Pole Location on Cottage Street - Director Babin said he had a housekeeping issue regarding a joint pole petition which had been brought up at a previous Selectmen meeting. He said that he had the paperwork with him this evening for the Board to sign regarding this petition from Verizon for a joint pole location on Cottage Street. It was approved at the February 22, 2014 Selectmen meeting but the paperwork was not signed at that time.

Comments - Director Babin wanted to acknowledge that this is Kevin Moran's last meeting as a Light Commissioner and thanked Kevin for his service and support.

Chairman Dentino said that there has been discussion in the past about utilization of the town automobile assigned to Director Babin and the amount of hours he lists on his timesheet for that vehicle. He stated that Director Babin uses the car to go out to lunch as part of the time listed on his timesheet, to which Director Babin said that he does not use the vehicle for this as he usually does not leave the office to go out to lunch and if he does, he takes his own automobile. He wanted to make it clear that he uses the company car only for Town business. Referencing his timesheet, Chairman Dentino pointed out that Director Babin had listed two hours of use of the car on a day he was on vacation and wondered why he even has to track this. Director Babin said MMED tracks the hours of usage to develop an hourly rate for each vehicle taking into account the operating costs and depreciation expense, which is then used as a part of the capital budget process. He also said that listing two hours of usage on a day he was on vacation was just a mistake on his part.

Clerk Aptowitz wished Kevin Moran all the best in his future endeavors and thanked him for his service.

Chairman Dentino said that it was a real pleasure working with Kevin and thought it was the best Board they ever had.

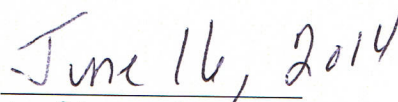
Motion: To support Article 29 which calls for \$50,000 to be appropriated from MMED funds for the acquisition of easements on Copeland Road
(Aptowitz/Moran) Passes 5/0

Motion: To enter into Executive Session at 9:10 PM
(Moran) Passes 5/0

Respectfully submitted: Jacqueline Lee



Signature of Clerk Chairman



Date of Approval