

WAKEFIELD MUNICIPAL GAS & LIGHT DEPARTMENT

BOARD OF GAS & LIGHT COMMISSIONERS MEETING

March 6, 2019

MINUTES

IN ATTENDANCE: Commrs. Jennifer Kallay, Chairman
John J. Warchol, Secretary
Kenneth J. Chase
Kevin T. Haggerty
Wayne M. Tarr

Peter Dion, General Manager, WMGLD

Maureen Mata, Executive Assistant
Gene Sullivan, Asst. General Manager
Mark Cousins, Financial Manager

Julie Smith-Galvin, Town Council Liaison

PLACE: WMGLD Conference Room, 480 North Avenue

CALL TO ORDER:

Chair Kallay called the meeting to order at 6:35 P.M and informed the Board the meeting is recorded and that we have a sign in sheet for members of the public.

Opening remarks: Commr Tarr and Commr Chase commended the WMGLD for their work during the past storm.

Chair Remarks: Chair Kallay inquired about a recent FCC court ruling related to small cell/5G that mandates wireless provider access to Wakefield poles to mount small cell facilities. General Manager Dion said that we are currently working with one wireless provider to install

some fiber but we have not heard from any wireless providers on small cell/5G.

Town Council Liaison: Julie Smith-Galvin commented that solar might be a consideration if funding comes through for roof improvements at the Greenwood and Walton Schools.

Finance Committee Subcommittee: Jim Sullivan, Dennis Hogan and Gerard Leeman from the Finance Committee addressed the Board. Everyone at the table introduced themselves. Jim Sullivan explained that they were before the Board to discuss the payment in lieu of taxes ("PILOT") made by the WMGLD to the town. Since the 2016 discussions between the Finance Committee and the Light Board, there are at least four or five new members of the Finance Committee who had made inquiries.

Jim Sullivan and Dennis Hogan commented that WMGLD book assets have increased since the 2016 PILOT discussions, including battery storage and the generators at the Wallace Substation. General Manager Dion recounted the history of the discussions around the PILOT. He recalled that the Finance Committee was looking for more predictability in what the town would receive in PILOT payments. He said that an independent consultant was hired to review the payment in lieu of taxes, including both the level of payment and formula options. The consultant examined PILOT calculation options including property assets, kilowatt hours, calculations based on economic conditions such as the Consumer Price Index. Manager Dion affirmed that Wakefield was and continues to be in the top 5, statewide, of municipal utilities paying PILOTs to their towns but only the 12th largest municipal utility. Manager Dion stated that in 2016 the Board decided to increase the then-current PILOT by 1.5% per year over five years to provide predictability for both the Town and the WMGLD. Commr Warchol added that the new investments that were mentioned were not made to generate new business and bring in new revenue, but instead were made to maintain service reliability and avoid high energy costs that would result from constraints in supply to the region. Gerard Leeman stated for the record that, like any commercial property, the WMGLD physical plant and operations have a certain cost to the town, that property taxes are intended to estimate the cost of local citizenship, and the cost driver may be the footprint on assets. He also recognized that the WMGLD's cost of citizenship is offset by some good work the Department does for town. Manager Dion responded that the new equipment was added to existing substations and therefore did not add to the WMGLD's footprint. There was consensus that the Board will revisit the issue as we approach the end

of the five-year 1.5%-per-year PILOT increase plan that was set in 2016. .

Main Street Beautification: Commr Tarr discussed the contemplated Main Street Project and advised the board that in the discussions the Light Department can expect to have a role in this project. The General Manager said that early information was key and we have done a great deal of work in the downtown area, and there are improvements we could make as part of a comprehensive project.

Sick time Buyback: The WMGLD received a copy of the Inspector General's recent report on municipal sick time buyback programs. General Manager Dion pointed to the five recommendations on page 13 of the report informed the board that the WMGLD already complies with four of the five recommendations. The Department prohibits any sick-leave payouts to employees who separate from service, with or without cause, other than at retirement. The Department does not allow annual sick-leave buybacks. The Department implements and enforces robust sick time keeping practices with three levels of sign off on sick time. And, the Department provides transparency about its financial liability for unused sick leave by publicly reporting compensated absences in annual reports. The fifth recommendation contemplates a 20% cap on sick leave buyback. The Department currently provides between 33% and 38% depending on the contract. The General Manager also noted that the 20% buyback recommendation did not put a cap on accumulated sick days. The WMGLD buyback is a percentage of a capped number (180) of sick days. The General Manager noted that the Board cannot vote to eliminate or change the sick time provision in employee and supervisory contracts. Any change would have to be negotiated and the Board would likely have to provide some form of compensation in exchange for the elimination or change of the sick time benefit. The General Manager then outlined a few potential next steps. The General Manager indicated that the Board could go back to the negotiating table, but recommended that because this is a developing issue it would be premature to do so. The Board was amenable to waiting for further developments regarding new rules and then working to comply with those rules. Commissioner Tarr suggested getting information on all town employee contracts.

Old Business:

Approval of Minutes:

Approval of regular and executive session minutes from the February 13, 2019, meeting were before the Board for approval.

A motion to approve the minutes of the February 13, 2019 meeting was made by Commr Warchol. The motion was seconded by Commr Chase.

Vote: The minutes of the February 13, 2019 meeting were approved unanimously.

A motion to approve the executive session minutes of the February 13, 2019 meeting was made by Commr Warchol. The motion was seconded by Commr Chase.

Vote: The executive session minutes of the February 13, 2019 meeting were approved unanimously.

Project Updates: Chair Kallay said she appreciated the update on major projects given by the General Manager. Additional detail was given on the Foundry Street project. Commr Tarr said he appreciated that the General Manager related that the project owners were paying for necessary improvements which protect the ratepayer.

Strategic Planning: The Board agreed on an April 3 strategic planning discussion session from 8 AM 2:00 PM.

National Grid Project: The agreement is still under review and the General Manager informed the Board that the WMGLD General Counsel sent comments to National Grid.

WMGLD/DPW Memorandum of Understanding: The WMGLD and the DPW had a very productive joint meeting. Both parties are reviewing minor details, and a signed memorandum of understanding will follow.

Solar: The General Manager advised the Board that the DOER had not finalized the new incentive program for Residential and Small C&I solar installations in MLP territories. The DOER has received all comments on ENE's and MMWEC's agreements, and we expect an announcement. The General Manager then reviewed the actual Residential customer solar data and distributed avoided cost data. The Residential customer solar data spreadsheet showed data on solar meter production and kWh sold back to WMGLD, aggregated across customer account by year and across years. Commr Tarr inquired as to what rate the

company paid solar customers for the 305,625 KWH sold back to the company to date. The General Manager replied that for these customers are paid the energy charge and that payments have ranged from \$0.10-\$0.13. There was further discussion as to the amount of solar allowed on a residence. Our current policy allows installations sized up to 100 of current annual consumption with a cap of 10 kW. Tarr said it was his opinion that we should not pay customers more than what our replacement energy costs would be for what they sell back. Chair Kallay indicated she would like more time to review the production and kWh sold back data by customer meter and the data on the avoided costs in greater detail. Tom Boettcher, the Town's Solar Coach, requested that the Department look into providing solar customers with production meter reads on their monthly bill. Financial Manager Mark Cousins replied he would review the mechanics of making that change.

General Manager's goals and objectives:

A motion to approve the goals and objectives for 2019 was made by Commr Warchol. The motion was seconded by Commr Chase.

Vote: The motion was approved unanimously.

Reaffirmation of MMWEC Funding Agreement: The General Manager explained that financing was moving from a construction loan into a short-term loan. This pertains to two separate loans; financing of the substation and battery storage.

A motion to approve the recommendation and authorize the General Manager to enter into these agreements was made by Commr Haggerty. The motion was seconded by Commr Warchol.

Vote: The motion was approved unanimously

Drug Testing: Commr Haggerty told the Board that he wanted to revisit his suggestion that the Commissioners be included in the Department's Drug and Alcohol Policy. Commr Tarr suggested that the next step should be to send the request to General Counsel for review to see if it can apply to Board members. Commr Warchol stated that he opposed the motion because the Board already considered applying all Department employee policies to Board members approximately a year earlier and rejected the idea after hearing from General Counsel

that applying employee policies to Board members would not be enforceable.

A motion to refer the drug testing issue to General Counsel for review was made by Commr Haggerty and seconded by Commr. W. Tarr.

Vote: 4 to 1 in favor of the motion. Comr.'s Kallay, Chase, Tarr, and Haggerty in the affirmative and Commr Warchol voting in the negative.

Adjournment:

A motion to adjourn was made at 8:35 P.M. by Commr. J. Warchol and seconded by Commr. W. Tarr.

Vote: Unanimously in favor of adjournment.