



WMGLD
P.O. BOX 190 480 North Ave.
Wakefield, MA 01880
Tel. (781) 246-6363 Fax (781) 246-0419

Peter D. Dion, General Manager

John J. Warchol, Chair
Philip Courcy, Secretary
Kenneth J. Chase, Jr.
Jennifer Kallay
Thomas Boettcher

WAKEFIELD MUNICIPAL GAS & LIGHT DEPARTMENT
BOARD OF GAS & LIGHT COMMISSIONERS MEETING
November 13, 2019

MINUTES

IN ATTENDANCE:

Commrs. John J. Warchol, Chairman
Philip Courcy, Secretary
Kenneth J. Chase, Jr.
Jennifer Kallay
Thomas Boettcher

Peter Dion, General Manager, WMGLD

Maureen Mata, Executive Assistant
Mark Cousins, Financial Manager
Dave Polson, Engineering and Operations Manager
Sylvia Vaccaro, Office Manager

Zachary Fentross, Melanson Heath
Andrew Gordon, Melanson Heath

PLACE: WMGLD Conference Room, 480 North Avenue

CALL TO ORDER:

Chair Warchol called meeting to order at 6:40 P.M. and informed the Board the meeting is recorded and that we have a sign in sheet for the members of the public.

Chair Remarks: Commissioner Warchol nothing specific to report.

Commissioner Remarks: Comm. Kallay reported that the Town with other departments and WMGLD are working on a draft for a grant application for Municipal Vulnerability Preparedness, which is due tomorrow at 2 pm. This would be an assessment of vulnerability and greenhouse gas over an 18-month period to June of 2021. Comm. Warchol acknowledged Pete Dion's letter of support. Pete Dion said this initiative would involve about 150 WMGLD manhours, however as the project continues these hours maybe decreased. Most of this would be IT manhours for extracting data. Comm. Kallay stated the grant award date to be in January 2020, with a start date in February 2020.

Comm. Boettcher stated that he attended the Health and Wellness Expo and thanked WMGLD for participating in the event. He spoke to Shaws General Manager about partnering with WMGLD for future community outreach. Pete Dion remarked that WMGLD could possibly conduct a Electric Vehicle Event at Shaws next year.

Town Council Comments

Not in attendance.

Melanson and Heath FY 2019 Audit Presentation

Zack Fentross and Andrew Gordon from Melanson Heath presented the audit for the year ended June 30, 2019. WMGLD ended the year with positive results and no deficiencies. It was noted by the auditors that we did not have a management letter again this year which indicates the department has adequate and functioning financial internal controls. A discussion of the strong OPEB funding status was brought up along with the Departments' cash position.

As of June 30, 2019, one of WMGLD's cash liquidity ratios was 0.55, in comparison with an average of roughly 3.0 of our peers. Comm. Warchol asked about the operating cash status and how to improve going forward. Zack responded that the cash position had been increasing over the last three years and as long as the trend is improving the Department should be fine.

It was also noted that similar to prior years, the audit is presented without the pension numbers which are provided once Wakefield's Retirement Board has completed their audit usually in January.

Zack summarized that the Department is in overall good shape and thanked GM Peter Dion and Finance and Customer Service Manager Mark Cousins, for all the hard work that is put into making the audit go smoothly.

A motion to accept the annual audit draft contingent upon receipt of the Town's final pension costs was made by Comm, Courcy and seconded by Comm. Kallay.

Vote: The motion was approved unanimously.

Secretary's Report

Approval of minutes from the October 2, 2019 meeting was before the Board for approval.

Comm. Boettcher advised that there should be a sentence added to page 2 paragraph 5. He stated there are services like Shave the Peak that customers can sign up for and the department issue alerts via social media.

A correction to Kristin Weekley's last name was noted, as well as Comm.Courcy's first name.

No further amendments.

A motion to approve the minutes of the October 2, 2019 meeting with the proposed ammendments was made by Comm. Courcy and seconded by Comm. Boettcher.

Vote: The motion was approved unanimously.

Old Business:

Project and Program Updates

Solar Program

84.4kWh turned on with 115kWh committed
One of first applications decided not to continue with the project
2 new applications were just received from the vendor/installer for a total of 16 applications

Electric Vehicle Charging

Town Council meeting tonight to vote on installing/locations of EV charging stations in town.

National Grid 345 kV Project

Ongoing

Berkshire Wind 2

Tour of facility postponed until Spring 2020

Legislative Discussion- H2863

Pete Dion stated that the bill is still in Committee and that Representative Golden requested we reach out to other Boards and encourage them to push it forward.

Comm. Courcy said that he lobbied Representatives Jason Lewis and Donald Wong as well as writing to Senator Lewis. Comm. Courcy recently went to a well-attended Reading Forum where the discussion quickly turned from a global discussion to more of a pragmatic one.

Comm. Warchol asked if Board wanted to consider taking a vote in support of house Bill #2863.

Comm. Courcy announced that he supports this bill and other bills are anti-municipal light plant and we should take a vote.

Comm. Kallay said that while she is not anti- municipal light plant. She will not vote for this because it is unhealthy, unsafe and that Wakefield will be worse off economically in the long term. She stated it was akin to doing nothing.

Pete Dion shared that the Municipals are waiting to see what the rules of the road will be once this bill is established so that the Municipals will then be able to make cost effective investments and tie it back to rules of the road. This bill will count the nuclear component which is key for WMGLD. He said that Municipals have always worked collectively to ensure cost savings on projects and purchases.

A motion to support House Bill 2863 was made by Comm. Courcy and seconded by Comm. Warchol.

Vote: A 3 to 2 vote. with Commrs. Warchol, Courcy and Chase in favor and Commrs. Kallay and Boettcher opposed.

2020 Energy Efficiency Program Roll Out

Comm. Boettcher stated that he would like the Energy Efficiency Roll Out Forum to be conducted in a similar fashion as the Solar Forum. It was suggested that it would begin with a high-level overview of the new rebates and incentives, followed by the installer providing an informational session on heat pumps with a question and answer period. Kristin Weekley will discuss her experience about her heat pump installation.

It was agreed that energy audits will drive the incentives/rebates and be a requirement. Pete Dion stated that the Rebate/Incentive Brochures are being created now. Dave Polson has compiled a Q & A that customers can refer to on WMGLD website for further details.

Comm. Kallay expressed that she wants to wait for feedback from the Energy Efficiency Forum before the Board finalizes this program.

Comm. Warchol requests clarification of the Terms and Conditions before it is implemented and suggested starting the new program on February 1, 2020.

Comm. Boettcher stated that it was okay to approve the budget with the clarified language and feedback from the forum/public and that the current program will roll over until February 1, 2020.

Pete Dion said that \$82,000.00 was forecasted for the 2020 Energy Efficiency Program. He said that part of our goal for the first year is to see what kind of impact the new program will have.

A draft for the Energy Efficiency Program will be presented at the December 3, 2019 Board Meeting.

New Business

Three-year Capital and Expense Budget

Finance Manager, Mark Cousins discussed the Operating Budgets and the methodology behind how the budgets were put together. Assumptions included a 1% increase in revenues year-over-year with corresponding budget increases in the cost of commodities.

Other key items discussed included the benefits of revenues from Mutual Aid, benefits of One-time refunds from MMWEC, on-going benefits of the Salem St generators and Battery Storage.

Accelerated principal payments are being made on the Generators projecting a 4-year earlier payoff of the debt principal and we are anticipating receiving

the remaining \$800k of grant revenue from the DOER this year for Battery Storage.

GM Peter Dion discussed the Capital Budgets outlining the streets for gas main replacements and gas regulator upgrade work as well as the LNG delivery strategy.

4kV to 13.8kV conversion and substation upgrades at Wakefield Ave and retirements at Burns substation were discussed along with a pole inspection program including pole-top solar installation pilot. Facilities & Information Technology capital included normal levels from prior years. Vehicles to be purchased included a new bucket truck, new dump truck and one to two passenger / service vehicles

A motion to approve the Capital and Expense budgets was made by Comm. Courcy and seconded by Comm. Boettcher.

Vote: The motion was approved unanimously.

2020 Goals and Objectives

Comm. Courcy stated that he and Comm. Chase met with General Manager, Pete Dion to discuss 2019 Performance Goals and Capital Projects. He said General Manager Pete Dion, reiterated that he liked the format & structure of the goals and would like to keep the same format in the future. It was decided that the goals are ongoing; to be retained and reviewed at the end of the year.

The MIT Pilot Program is to be deleted and replaced with the new Energy Efficiency Program.

Comm. Kallay would like to see performance metrics on Electric Vehicles, Solar, Energy Efficiency Program performances and what we should be doing going forward.

Comms. Kallay and Courcy agreed that the goal to provide the Board with historical & current data on greenhouse gas emissions of its supply portfolio from MMWEC will be expanded to include the MVP project grant if awarded. Comm. Kallay requested Renewable Energy Credit (REC) pricing so to provide a better understanding, if WMGLD were to turn over their RECs.

Comm. Boettcher suggested as a potential goal looking at the viability of three Pilot programs. A Low-Income Energy Efficiency program and a Residential/Small CI dispatchable privately owned batteries that are tied to a

renewable source and a Smart Wifi Thermostat dispatch-able/peak shaving program.

Pete Dion stated that there are benefits to both. It should not matter what your source is because you are still helping with the clean peak. If it is limited to only solar it would dramatically limit participation in the program.

Discussion arose about the presentation of 2020 goals compared to 2019 goals. It was decided that an after the fact comparison will be completed.

A motion to adjourn was made at 10:17 p.m. by Comm. Courcy and seconded by Comm. Boettcher.

Vote: Unanimously in favor of adjournment.