

**Mansfield Municipal Electric Department
Minutes of Light Commissioners Meeting
June 1, 2016**

Present: Chairman Frank Delvecchio, Vice Chairman Michael Trowbridge, Clerk Steve Schoonveld, Commissioner Jess Aptowitz, Commissioner George Dentino, Director Joseph Sollecito, Financial Assistant Jacqueline Lee and Town Manager William Ross

The meeting was held at the Mansfield Town Hall Room 3AB and called to order at 7:00 PM followed by the Pledge of Allegiance. Chairman Delvecchio stated that this meeting is being televised and taped for future broadcast.

A complete copy of the Board packet containing all documents that are referenced in the minutes is on file at the Mansfield Municipal Electric Department office.

Citizens Comments: none

Residential Customer Deposit Policy- Director Sollecito explained to the Board that currently there is only one exception to the residential customer deposit policy and that is if you own the property. He suggested that another exception to the policy be made for existing customers who have a good 24 month payment history with MMED.

Commissioner Aptowitz said that he has been approached by residents, usually senior citizens, who have owned a home and now are looking to rent. He believes a \$500 deposit is a lot and says he is in favor of this change.

Motion: To amend the Residential Customer Deposit Policy to include an exception for an existing customer of record with excellent payment history over the most recent 24 months

(Trowbridge/Aptowitz) Passes 5/0

Commissioner Dentino questioned the language "small" and "typical" in regards to the type of accounts. Director Sollecito explained that if a residence is known to have electric heat then the deposit is \$500. An account is considered "small" when the bills are under \$50 per month and the deposit would be \$150. When the monthly bills are higher than \$50 per month then it is considered a "typical" account and the deposit would be \$300.

Clerk Schoonveld questioned if a senior citizen did not have a good 24 month payment record then they may have to pay a \$500 deposit. Director Sollecito answered yes.

Commissioner Aptowitz commented that realtors usually disclose to prospective renters that they need to pay a deposit at MMED in order to set up their electric account.

Chairman Delvecchio requested that going forward, discussion and clarification of issues should come before the vote is taken.

LED Security Lighting Rate- Director Sollecito requested the implementation of a new LED security light rate. He believes MMED needs to have this schedule in place in order to charge customers appropriately.

Motion: To approve the new LED Security Light Rate (Trowbridge/Aptowitz) Passes 5/0

Commissioner Dentino commented that he thinks MMED loses more money on businesses than residential accounts. Director Sollecito said that he had a collections meeting that morning and commercial past due balances were low. He offered to bring that information to the Board.

Commissioner Aptowitz reiterated that he is against direct debit in lieu of a business having to place a deposit. He pointed out that if a business goes under then there is nothing to direct debit. He reminded the Board of how a few years ago MMED lost a lot of money when certain business kept going in and out of the same location.

Director Sollecito told the Board that as soon as a payment bounces, it is MMED's responsibility to get the security deposit payment in full. A deposit that covers three months worth of usage can be a substantial amount of money and could prohibit a new commercial business from starting in Mansfield.

Credit Card Policy Change for Commercial/Industrial Customers- Director Sollecito stated that credit card fees are significant and that certain corporate credit cards are most expensive as they have the highest fees, making up almost half of MMED's bill. He is suggesting a fee should be charged for processing these payments. He said it will not affect residential customers at all and will cut MMED's credit card fee bill in half.

Commissioner Aptowitz questioned negotiating these credit card fees. Director Sollecito said he is looking into that and is currently negotiating with Invoice Cloud to lower these costs for next year. MMED's contract is up with Invoice Cloud in 2017 and he told them he will go out to bid unless they are willing to negotiate.

Motion: That all Commercial/Industrial customers will be charged a 3.5% surcharge on all credit card payments beginning no earlier than July 1, 2016 (Schoonveld/Aptowitz) Passes 5/0

Clerk Schoonveld asked how Director Sollecito arrived at the 3.5%. Director Sollecito answered that is the number he used in his previous role and it also seemed to capture the average cost of MMED's corporate credit cards.

Capital Budget- Director Sollecito opened a discussion about the power supply outlook. He reviewed the MMED Generation & Transmission Expenses graph that was included in the Board packet. He explained that MMED buys 50% of their power from MMWEC through long term purchases of nuclear, hydro and wind energy; 20-30% is contractual like NextEra and the remainder is open and based on market prices. How it was done in the past was that MMED would go out to bid. Director Sollecito said that he has received input from MMWEC and PLM who say that MMED has been fortuitous in their timing but that hedging

the market is the better way to go. MMED should not go out just one time but should be filling up their buckets on an incremental basis. He believes this is a good solid approach.

Clerk Schoonveld asked if other light departments are doing this. Director Sollecito answered certain utilities are and some do not. He then said he would put more leg work into this issue if the Board had an interest and it was decided he would bring Mayhew Seavey of PLM to the next Board meeting.

Distributive Generation- Director Sollecito told the Board that other municipalities such as Middleboro, Braintree, Shrewsbury, and Taunton beginning in September, have distributive generation. Distributive generation is different from regular generation as it is a smaller unit that is not running 24 hours a day. For 2-3 months it runs for 3-4 hours at a time and avoids peak times which are usually between 5:00pm to 7:00pm when everyone is getting home from work.

Vice Chairman Trowbridge asked the time period involved for design, approval and installation. Director Sollecito said that Middleboro had approval and installation in about 9 months.

Town Manager Ross told the Board that the payback period on distributive generation is quite short and that the key element is that it doesn't require additional staff. It can also stop and start automatically from a distance and is flexible in regards to location. The one issue is that MMED's system is so well built and the feeders are so lightly loaded that a location needs to be found where the feeder can accept 2 megawatts of power.

The Board agreed to move ahead with this and asked that Director Sollecito research this more and bring the information back to them.

Time of Use Meters- Director Sollecito told the Board that in his previous role they had an industrial interruptible rate to provide incentive to the industrial customers to share in the savings. In order to do this meters need to be in place to monitor intervals of use and this helps to determine the historical trend. You look at the summer and winter peaks then go back to the customer and give them incentives for opportunities to save money. They save money this way because they'll shave their loads at peak times. Director Sollecito explained you need meters and software in place and that his previous utility was one of the first to implement this.

Commissioner Aptowitz has concerns about covering MMED's fixed costs and wondered if there were be a loss of revenue for MMED. Director Sollecito answered no, as it ends up being shared savings with the customer and is incentive for companies to come to Mansfield.

Director Sollecito stated that this would be included in the next Capital Budget. Clerk Schoonveld requested that when it is presented that information be made available as to how it will affect the residential rate.

Vice Chairman Trowbridge asked if certain businesses in the Industrial Park would be targeted. Director Sollecito answered no, it would be all of them which would be about 70 meters.

Copeland Road Manhole- Director Sollecito told the Board he would like to table the Copeland Road Manhole/Conduit Extension project. He explained that the premise of it was to back up Gilbert Street Substation and Bird Road Substation. As a credit to the MMED staff he said the system was built tremendously well and is very solid. He said he reviewed this project with the staff and found that 90% of this back-up can already be done without going forward with this work. He put it out to the staff and asked if Gilbert Street Substation was out could Bird Road Substation deliver to everyone in Mansfield. The answer was yes, with a few minor adjustments, it could be done. Director Sollecito stated that he would like to step back from this project and rethink it. He would like more time to look at this as it is a cost of almost \$1,000,000 to install this conduit.

Vice Chairman Trowbridge believes that would be the prudent thing to do. Town Manager Ross noted that for a long time Mansfield survived on one substation. He too would like to see where this stands before moving forward.

Director Sollecito said there is still some work to be done and then the staff will come back with an evaluation before MMED spends this money. He did clarify that nothing has been wasted so far and that everything that has been done is being used.

Office Renovations- Director Sollecito talked about the energy usage in the office and believes a lighting retrofit to LED fixtures will reduce 40% of the electric load and payback would be 1½ to 2 years. He told the Board that he would like to include lighting with the original request. He said a gas audit was also done and he is waiting on the response from that.

Director Sollecito said he would like to add security cameras to the request as well. He has concerns about customers being able to walk through the office and possibly being able to see customer information. He said he was rather shocked to see this when he began his position with MMED and feels customers should have restricted access.

He believes the approved \$15,000 budget would need to be raised to about \$25,000 with his proposed additions. Vice Chairman Trowbridge asked that MMED call Capital Improvements when they know for sure the new amount.

Repurpose of Truck 27- The original Truck 27 was purchased in 2006 but the hydraulics never worked properly and the truck was replaced last year. Director Sollecito said he had a discussion with the staff as to how they could best utilize the original truck because it still has a solid cab and chassis. It was agreed that the truck could be refurbished and used for multiple purposes. Director Sollecito told the Board that he will be submitting this request for approval in the FY17 Capital Budget.

Discussion of Solar and Other Renewables- MMED was previously asked about the use of solar at the landfill. Director Sollecito told the Board that MMED could hire someone to do a power flow analysis. Rather than have an analysis done on one circuit, however, he thinks it would be more prudent to have an analysis on MMED's maximum capacity based on all of the circuits.

Chairman Delvecchio asked how much the study would cost. Director Sollecito did not have an exact number but thinks it would be somewhere between \$6,000 and \$10,000. He believes it would be more prudent to do it this way instead of just doing it for the landfill.

Town Manager Ross said that it makes sense to him to do it all at once. Director Sollecito thinks it would be no higher than \$15,000 and if it is any higher he will come back to the Board. This will be requested for approval in the FY17 Capital Budget.

Tree Removal on Branch Street- Town Manager Ross then reported that a customer from Lincoln Place questioned some of the tree removal on Branch Street. He has spoken with Shaun Burke from Planning and Mr. Burke along with Katelyn Gonyer from Conservation will go out there and check on the removal against the site plans. Town Manager Ross has asked for a full report.

Vice Chairman Trowbridge requested that he and Clerk Schoonveld, who are the two new members on the Board, receive copies of the development agreement and plan. Town Manager Ross said he would take care of that.

MMED's Credit Rating- Town Manager Ross stated that S&P Global Ratings has raised MMED's credit rating from A to A+. There are 7 municipals in the state that are rated A+ so MMED is above the majority.

Commissioners Comments-

Clerk Schoonveld- none

Vice Chairman Trowbridge- none

Commissioner Dentino- none

Commissioner Aptowitz proposed that MMED give back another rebate to the ratepayers through the generation charge since MMED currently has \$11.5 million in free cash. He would like it placed on the agenda for the next meeting and reiterated that he would like to help the ratepayers.

Director Sollecito cautioned that you need to keep enough on hand to cover six months worth of expenditures. Town Manager Ross suggested looking at the capital budget first.

Commissioner Aptowitz also wants to have the issue of direct debit in lieu of deposit with commercial accounts on a future agenda.

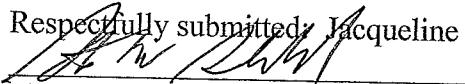
Commissioner Aptowitz wanted to acknowledge Ray Gouley of RF Gouley Company who donated 144 American flags to Mansfield. Mr. Gouley does the safety presentation at the COA luncheons. Commissioner Aptowitz would like to have a letter of thanks sent to him.

Chairman Delvecchio said as his first night as Chairman of the Light Commissioners he wanted to thank everyone on the Board.

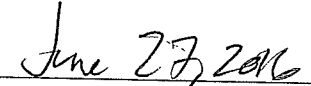
There was a discussion about setting a date for the next meeting. It was pointed out that Wednesdays were rather full between Selectmen's meetings and workshops. Town Manager Ross asked if a Monday evening would work. It was decided on Monday, June 20, (which has subsequently been changed to Monday, June 27) to allow enough time so that Mayhew Seavey could attend the meeting.

Motion: To adjourn at 9:05pm
(Aptowitz/Trowbridge) Passes 5/0

Respectfully submitted: Jacqueline Lee



Signature of Clerk



Date of Approval