

Chairman Thomas Reynolds called the meeting to order at 5:09 p.m. in the BELD Board Room. Those present at the meeting included Chairman Reynolds, Vice Chairman Anthony Agnitti, Secretary James Regan, General Manager William G. Bottiggi, and Chuck Coyne, all of BELD and Steve O'Brien, resident.

I. Minutes of Prior Meetings

i. November 13, 2018 Open Meeting

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to accept the minutes of November 13, 2018 Open Meeting as written. So voted.

II. Items for Action

i. ENE Director A Vote – Bottiggi

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to accept Mr. Bottiggi's re-nomination to ENE Director A. So voted.

ii. ENE Directors Vote – Saleeby, Whitney, Scorzoni

Voted: on motion of Mr. Agnitti, seconded by Mr. Regan, to accept the re-nomination of Mr. Saleeby, Mr. Whitney and Mr. Scorzoni to ENE Director A. So voted.

iii. GM Review

Mr. Bottiggi explained that he had sent his evaluation to the Commissioners prior to the meeting. He reviewed the document with the Commissioners. We had a very good year: our financials are strong and our cash reserves are in good condition. We did the energy storage unit this year off budget - \$2.5 million but we are getting \$700,000 back from the state in grants. This coming year – the budget is coming up later in this meeting – we are going to try and be more green. We have to absorb some increased capacity costs. Power supply is becoming more challenging. However, we have our power supply hedged out, 70% or more, until 2022. We are going to try and fill in that position (the rest) with more renewable energy. There was discussion. We did two large commercial solar arrays this year.

In generation, we have the forward reserve which is a good revenue opportunity for Watson. We have dual fuel; there is no winter reliability program but we filled our tanks. We got the last 300,000 gallons of ULSD – so we are well-positioned for the winter. Potter II was penalized because there was a scarcity condition and we couldn't respond at that time – but it is ready to go whenever we need it.

In T&D, we have done a large amount of work. We upgraded the substation transformer at Station 9, along with the energy storage unit. We have very high reliability.

We continue to provide Broadband services to the residents that want us. That is a very competitive market – but we have been growing our high-speed internet customers. They now outnumber our video customers.

Mr. Bottiggi continued: safety is a very important part of my vision. We have not had a lost time accident in over three years. Other items: this was a contract year for the union so we had negotiations sessions, the electric vehicle program continues and Mr. Bottiggi represents BELD at APPA, NEPPA, ENE, as well as in Town. He will be giving a presentation to the Town Council in January. The main goals for 2019 are to implement the budget and the capital plan which is very aggressive. Mr. Bottiggi said he is looking for a 3% increase.

There was discussion among the Board members. Looking at the reserves and the work Mr. Bottiggi and staff do on long term goals it is clear the Town is going to benefit in the long run.

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to increase Mr. Bottiggi's salary by 3%. So voted.

Mr. Agnitti said he did want to note that we continue to have good communication with Town Council. Mr. O'Brien said he was happy to hear that Mr. Bottiggi was planning a visit to Town Council and asked what percentage he is targeting for the renewables? Mr. Bottiggi explained: the state wants the investor-owned utilities to be 80% renewable by 2050 and 20% by 2021. So that means you have to get 80% of your energy from wind, solar, hydro, landfill gas - however, all of those resources are variable. Mr. O'Brien asked if BELD is trying to stay in step with the investor-owned utilities? Mr. Bottiggi said yes. Mr. Reynolds said when we had the energy storage ribbon cutting we mentioned those percentages and that our goal was to go a little bit higher than what they are asking. Mr. Bottiggi added it is hard to do that and keep the rates down and the quality up. We have major solar arrays now along the landfill and Campanelli and that alone is causing power quality issues for us because solar is intermittent. So we are trying to deal with that and it is one of the reasons why I wanted to put the battery storage unit where we did because it is on the same bus as the solar arrays so if load starts being affected we can charge the battery and create load and discharge later on.

iv. Bill Insert – Braintree Community Youth Center

This is the second year the BCYC has requested this. It is for the bills mailed out in February. This is their biggest fundraiser.

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to allow the bill insert for the Braintree Community Youth Center. So voted.

III. Items for Discussion

i. Budget

Mr. Bottiggi said the 2019 budget is relatively unchanged from 2018: the revenues are down and the expenses are down – mostly because of the Forward Capacity Market (FCM) changes. It is really just debits and credits since we self-supply. There are two significant changes in the budget this year. One is the ISO has increased the reserve margin to 51% - our peak is about 80 megawatts in the summer and we have to procure reserves above that peak

to create reliability in the market and the ISO decided that is not enough. We now have to have 120 megawatts of total capacity that we are responsible for - that 40 megawatts creates financial pressure on us. It is astounding the reserve margin is up to 51% - it has historically been between 17% and 20%. The financial pressure in 2019 over 2018 is about \$1.2 million increase in our expenses with no offsetting revenue. Mr. Regan asked what ISO's reasoning was for the dramatic increase. Mr. Bottiggi said they look at the system but he thinks it is because of more renewable energy and they want to have reliability.

The second significant change has to do with the energy that we have that is renewable. We have been selling the Renewable Energy Credits (RECs) up to now and so by the state's definition it is not renewable. Mr. Bottiggi explained to be able to declare it renewable we need to retire the RECs so that will cost us \$500,000 in lost revenue, which is called an expense on the budget.

Mr. Bottiggi said coupled together – our budget was balanced but had a \$78,000 loss and this year it is a \$990,000 loss. Mr. Bottiggi is comfortable with this going into the year and that includes a ¼ of a cent increase in our electric rate. It is important to not let the increased costs get ahead of us instead of letting it go a couple of years and having to go up a cent. The average residential rate payer will pay \$1.80 a month and more, depending upon which class you are in, but not significant. Mr. Regan asked when the last time was BELD had a rate increase. Mr. Bottiggi said about 5 years ago and our rates are still way below the towns around us. There was discussion. This will become effective February 1, 2019.

ii. Budget Impact on Renewable Energy

Mr. Bottiggi reported that BELD is working with Energy New England and looking long-term on the impact this will have on us. They compare getting renewable contracts with the forward curves on prices and they think it will be a ½ cent impact. He continued: he would foresee our electric rates going up a little bit over the next few years but nothing like the investor-owned utilities. There was discussion.

iii. Potter II Update

Mr. Bottiggi reported because of the scarcity condition that happened in September that Potter II could not respond to, which cost us \$300,000, and because he feels the winter is going to be bad, he asked Energy New England to look into selling our obligation cheap for the month of January.

There is a reconfiguration auction every month. They were able to sell Potter II's capacity supply obligation, which is about 74 megawatts, for \$1.26/megawatt month. We get paid \$11 and we sell it for \$1.26 – so we will still get the \$11 so we lose \$93,000 for the month in capacity revenue but we have zero risk. ISO cannot call on us to run. We are hoping to get through the winter like this. We can still run Potter II – if tomorrow prices go up to \$300/megawatt hour we can run on oil – it costs us \$150/megawatt hour to run on oil. We can run and there is no penalty. If there is a shortage event while we are running we will get a huge bonus – we have no capacity supply obligation so the entire thing is a bonus. We give up a little payment but have no risk – which can be billions of dollars. There was discussion.

We continue to go through the retirement process as well. We hope to participate in the February 2020 auction and the unit will be retired in June 2023.

IV. Personnel Update

None.

V. Old Business (As Determined/Needed)

None.

VI. New Business (As Determined/Needed)

Mr. Bottiggi reported that the BELD employee holiday continental breakfast is on Monday December 24 at 8:00 a.m. Town Hall is closed and we will be closing a half day.

Mr. Bottiggi said he is finalizing plans to go before the Town Council. The date may be January 8, 2019.

Mr. Regan asked to have a pole update. Mr. Bottiggi said we have had a lot of other work this year so we have about 85 done and are trying to get up to over 100 this year. There are probably about 300 poles left. We have replaced all the ones with equipment on them - transformers or switches – and all the ones that are on main streets where it would have the biggest impact. Mr. Regan asked if we were going to re-inspect the poles. Mr. Bottiggi said yes. We did that inspection 2 years ago and we do one about every 5 years.

Mr. Regan asked for a quick update on the work we are doing in association with the Peterson Pool. Mr. Bottiggi said he was not sure how this happened but the contractor did not make an allowance in the contract for utilities and it was missed by the Town. The Town was going to be hit with a large extra. He explained: the power line, which is underground, goes along the edge of the field to the transformer that lights up the football field and goes right under where the building in front of the Peterson Pool is going to be. The line had to be relocated out toward the high school – about 50 feet. The Mayor asked us to help out. The same company that is doing the East Middle School is doing this project and they are taking care of the electrical there. We discussed with the Mayor and decided that we would supply the conduit and technical direction and the Water Department is digging the trench. Once it is done we will pull in the cable which we would do anyway. Mr. Reynolds said one of the problems they had been dealing with was that every morning they would come back to the trench and it would be full of ground water and with so much rain in the last few months it is that much worse.

Mr. Regan asked if BELD has looked at the new Thayer Academy rink for putting solar array as it is a huge building. Mr. Bottiggi said we have not.

VII. Public Participation (As Determined/Needed)

None.

VIII. Tabled Items

None.

IX. Next Regular Meeting – Upcoming Meetings

i. Tuesday, January 15, 2019

X. Executive Session (As Determined/Needed)

None.

XI. Adjournment

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to adjourn the Electric Division meeting at 5:46 p.m. So voted.

James P. Regan
Secretary

Chairman Thomas Reynolds called the meeting to order at 5:46 p.m. in the BELD Board Room. Those present at the meeting included Chairman Reynolds, Vice Chairman Anthony Agnitti, Secretary James Regan, General Manager William G. Bottiggi and Chuck Coyne, all of BELD and Steve O'Brien, resident.

I. Minutes of Prior Meetings

i. November 13, 2018 Open Meeting

Voted: on motion of Mr. Agnitti, seconded by Mr. Regan, to accept the minutes of November 13, 2018 Open Meeting as written. So voted.

II. Items for Action

None.

III. Items for Discussion

i. Budget

Mr. Bottiggi went over the Broadband budget with the Commissioners. He explained that it is \$4.6 million for equipment and \$1.3 million for labor. We have a small rate increase in here as well: 2.3%. This will bring in another \$6,000 per month assuming everything else stays the same.

He continued the Broadband Division is self-supporting; they had borrowed money from the Light Division and they continue to pay that back. We go year-to-year with this business. This is a small business – the video customers, which is cable TV, decrease by 10-12 each month because people now stream a lot of what they watch. The division has \$1 million in reserves so that is a 20% reserve. That has been steady for the last 3-4 years. There was discussion on the change in the cable business in general and how this will affect BELD. Mr. Reynolds asked about keeping the internet for the municipal government. Mr. Bottiggi said he thought we would always do that and that it is a great benefit to the Town, worth hundreds of thousands of dollars each year. He continued we do not know how much longer we will be in the residential or retail business but we offer a good product and we are always number one for customer service. There is no risk to stay in the business at this point. However, at some point, when it doesn't make sense anymore we will get out of it. We won't be taking on any big, expensive, risky upgrades. We can go at least another 5 years if we decide to with the current format we have.

Mr. Bottiggi explained a large portion of the Broadband budget goes to the programmers. If you look at the first page of this budget – signal fees - there are 12 line items. Comcast sports is \$135,000 per year. NESN is \$191,000 per year. These examples are for just one channel. Out of our \$5 million budget there is probably \$2.5 million that is just a pass-through to the programmers. The Broadband technology is totally different from the Electric side – it changes so fast but a transformer will last 40 years. There was further discussion.

ii. MobiTV

Mr. Bottiggi explained: currently we have a headend and it is packed with equipment in support of cable tv – however, MobiTV is an alternative to that. We had a conference call and webinar with them recently. They are a company that streams video over the internet – like Netflix, Amazon Prime or Google. They could stream the entire tv offering that we have over the internet. They can take all of the cable tv shows, including the national shows. We would capture the off the air local channels – WHDH, CBS – and send it to them. They are in San Diego so over a fiber we would send our over the air channels to them. They would then bundle it up with all the national channels and they send it back to us. But instead of sending it out to your cable tv box it is sent via high speed internet to your Apple tv or your smart tv or your Roku stick. All it is an app on your tv. Mr. Bottiggi is planning on having a demo of MobiTV at the January meeting. Mr. Regan asked if it would be branded as BELD. Mr. Bottiggi said yes and it brings in the cloud. It has a beautiful channel guide, a DVR in the cloud, all the video on demand.

He continued we got quotes and we can get rid of all the equipment in the headend. It will cost \$66,000 for a start-up costs. If we have 2400 video customers it would be \$14,000 per month. There would still be programming costs but we can definitely save money if we do this. Mr. Agnitti asked if this technology has been proven and been around for a while. Mr. Bottiggi said they have thousands of customers, working with all kinds of utilities. Mr. Regan asked if we were losing employees with this. Mr. Bottiggi said probably – that is where some of the savings comes from. He continued there also will not be cable boxes – and therefore no confused customers. We can do both for a while – once we start we would incent people to get off traditional cable tv. Those that do not want to will be able to keep it for a period of time. All new customers we would do with this streaming. There was discussion.

Mr. Bottiggi explained all you would need for this to work is the Roku stick – people would not have to go out and buy a smart tv. The Roku stick, or fire stick goes into one of the HDMI ports and it is Wi-Fi and it comes with a remote control. There is an option for those with an older television that may not have this capability: you can use a box, an inexpensive box for people that have the old tube tv. It is a cable box that works with the MobiTV and we will have those for customers who need them.

Mr. Bottiggi said he was not sure if we would do this but he liked the idea of it. This is all done by IP addresses. This has real potential – it would get rid of all the headend costs – to have an impact on our cost structure. There was discussion.

IV. Personnel Update

None.

V. Old Business

None.

VI. New Business

None.

VII. Public Participation

None.

VIII. Tabled Items

None.

IX. Next Regular Meeting – Upcoming Meetings

- i. Tuesday, January 15, 2019 at 5:00 p.m.**

X. Executive Session

None.

IX. Adjournment

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to adjourn the Broadband Division meeting at 5:56 p.m. So voted.

James P. Regan
Secretary