



MARBLEHEAD MUNICIPAL LIGHT BOARD 1-5-22

Present: Board: Michael Hull (Chair), Walter Homan, Karl Johnson, Lisa Wolf, Simon Frechette. They were present in-person or on zoom
GM: Joseph Kowalik Mgr. in – person

Guests : Jean-Jacques Yarmoff, Eileen Mathieu, Margaret Smist and Dawn and Chris Lund from Financial Utility Solutions

Mike Hull called meeting to order at 4:32 pm, and it was decided to defer the approval of the December minutes to the February meeting.

Bad Debt write – off:

The board discussed the historic trend with write-offs. The write off for 2021 is about \$45,000 which was fairly good as it was a year with uncertainty with COVID. There was a motion accepted and seconded and the board voted to accept the write-off.

Discuss Rate Structure study with Dawn and Chris Lund of Utility Financial Services. The key points covered were as follows:

- A presentation on where the electric industry is moving
- MMLB is financially healthy with equitable rates between classes but should improve (increase) on customer charges since they are low.
- The MMLB has a good debt policy and there was a presentation on target income and target debt ratios for the MMLB

The board proposed and is *considering* the following:

- A 2022 revenue neutral rate adjustment with a phasing in of customer charges over the next 3-5 years. It was discussed that the MMLB will need to keep up with inflation. The low monthly customer charge should be increased to cover meter reading, billing, distribution and service.
- A revised power cost adjustment model was proposed. There was a discussion of the major revenue classes for the MMLB.

Dawn presented a level funding residential rate design and there was a discussion if there was a correlation between house value and income. Data not readily available.

Chris Lund presented out on a potential rate evolution:

- The industry is seeing a shift where peak demand charges and time of use charges are added to rate classes.
- Large commercial customers already have some of these charges, but MMLB's systems need to be able to handle these changes. Joe said this review was already in process.
- Currently, the MMLB meters can't calculate demand charge or time of use charges. It is do-able to work these charges into the software.
- There was a discussion of when electric vehicles can re-charge by analyzing time of use information.
- Usually, it is proposed to have on/off peak but some customers want on/off/critical periods.
- Joe will get additional questions from the board and send them on to UFS.

Update on COVID situation:

- MMLB is complying with new Board of Health policy.
- They have 50/50 shifts as of 1/3/22 – 5-person line crew then a 4 person line crew for a day.
- Office employees can work from home, but the MMLB is also lowering headcount in the office
- PCR tests have been purchased and offered to employees.
- Lobby will remain open
- The next MMLB meeting may be hybrid or virtual – To be determined.

The MMLB went into executive session at 5:53 pm.