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**MINUTES
TOWN OF BELMONT
BELMONT MUNICIPAL LIGHT BOARD
SELECTMEN'S MEETING ROOM
TOWN HALL
Monday, August 8, 2016
4:30 P.M.**

I. CALL TO ORDER

Chair Paolillo called a regular meeting of the Municipal Light Board (MLB) to order at 4:35 P.M.

Present:

MLB – Chair Mark Paolillo, Vice Chair Sami Baghdady, Member Jim Williams

Belmont Light – General Manager Jim Palmer, Staff Maria Makar-Limanov, Becca Keane, Aidan Leary

Light Board Advisory Committee (LBAC) – Chair Steve Klionsky (no quorum)

Energy Committee – Ian Todreas, James Booth (no quorum)

II. UPDATE ON SUBSTATION & TRANSMISSION PROJECT

Palmer reported that since the previous meeting of the Light Board, the substation contractor, Boston Building & Bridge Corp. (BB&B), has completed construction of the substation building and all of the code signoffs with the Town have been completed. Paving and landscaping around the substation building are the remaining items to complete and both are not expected to be completed until September 2016. Palmer stated that Belmont Light will be unable to obtain a permit of occupancy for the substation until those two items are completed. He said that Belmont Light would look to get an exception from the Department of Community Development to the permit of occupancy rule.

Baghdady asked whether it would be possible to obtain a temporary permit of occupancy. Palmer stated that his main concern was closing out the remaining contracts for work on the substation building so that Belmont Light would not incur any additional costs and that he was not sure if a temporary permit of occupancy would allow them to do so. Baghdady stated that he will work with Palmer and the Department of Community Development to obtain the temporary permit. Palmer said that he will need to look into whether that temporary permit will allow him to close out the remaining contracts.

Belmont Light is also preparing for the transfer of assets to Eversource. Baghdady said that that process might be affected by the lack of a permit of occupancy but that if all of the paving and landscaping work is completed by September, this should not be an issue.

Palmer reported that the transmission line project is moving along. There are two remaining major crossings to complete, one at Blair Pond and one toward the other end of the project at Station 509. Palmer said that the contractor had hit a pocket of water while installing the pipe and there had been some problems with the dewatering process, thus delaying the project. Palmer reported that Belmont Light has met with Eversource to discuss the dewatering problem. He said that there is enough room in the schedule to still hit the target dates for the project but that it will take a lot of work to do so.

Commissioning testing is scheduled to start during the week of August 15, 2016, subject to Belmont Light signing a contract with the testing contractor. The outage with ISO-NE is scheduled for mid-September 2016. Belmont Light is also working with the Friends of Alewife to ensure that all of the plantings done around the substation building is appropriate for the area and not harmful to other plants and wildlife.

Williams asked whether Belmont Light is fully staffed to complete all of the tasks it needs to complete ahead of the commissioning of the substation. Palmer responded that while Belmont Light is fully staffed, it will soon be posting a job opening for an electrical mechanic, who will act as the substation operator. Palmer also stated that a lineworker who had previously left Belmont Light for other employment had recently returned to work for Belmont Light.

The Board and Palmer continued to discuss the issues of the permit of occupancy and the remaining paving and landscaping work to be done at the substation site. Palmer suggested that Belmont Light might be able to use the Town's existing paving contract in order to complete the paving at the substation site.

III. BELMONT LIGHT ELECTRIC VEHICLE INCENTIVE PROGRAM

When Belmont Light presented its Electric Vehicle Incentive Program (EV Program) to the Board on May 23, 2016, the Board asked Belmont Light to seek the recommendation of the Light Board Advisory Committee (LBAC). After Belmont Light met with and presented the EV Program to LBAC, members of LBAC gave a positive recommendation to the Light Board at the June 27, 2016 meeting of the Light Board. The Light Board then asked that more community outreach be done surrounding the program. Palmer reported that since the June meeting of the Light Board, Belmont Light has: requested a list of current electric vehicle owners through a public records inquiry to the Department of Motor Vehicles; met with member of the Energy Committee to gain their support; and met with the Sustainable Belmont group.

Paolillo asked whether the program was ready to move forward or if there was still community input needed. Palmer stated that, based on the number of community meetings that have been held, Belmont Light is ready to move forward with the program.

Todreas called the Board's attention to the update to the Town's Climate Action Plan. He said that, in the course of the update, it was found that the one segment of the Town that is responsible for a large portion of emissions and which continues to grow is transportation. Todreas stated that there are only a few ways to tackle the transportation problem efficiently and one of the best ways that the Energy Committee has found is the promotion of the use of electric vehicles to Belmont residents. He said that the group will use the successful Belmont Goes Solar campaign as a model for the electric vehicle promotion campaign. Todreas stated that the campaign is set to launch as a pilot program and will be evaluated as it goes along.

Klionsky recapped the June 9, 2016 LBAC meeting, at which three of the four attending LBAC members agreed that the EV Program plan was a reasonable way to proceed. He reiterated statements from LBAC Vice Chair Mark McVay (not present) that it will be important for LBAC to receive data as the program progresses in order to evaluate if it is working.

Klionsky stated that one member of LBAC who thought the program was too generous. Paolillo responded that, since this is a pilot program, the Board and LBAC can evaluate the data received and the cost of the program at a later date. Klionsky agreed, stating that he did not believe that the cost of the program is too expensive to move forward with.

Paolillo asked Keane what other outreach Belmont Light had done. Keane said that a representative Sagewell, Belmont Light's energy efficiency consulting firm, had met with Sustainable Belmont to present the program to that group. She said that she had been holding discussions with many people around town and that people are ready and eager for the project to begin.

Baghdady stated that he is happy and more comfortable with the program now that the Energy Committee and LBAC are involved. He suggested that the two committees present to MLB during a later MLB meeting.

Williams asked how smart meters and time-of-use billing would fit into a program like the EV Incentive Program. Klionsky replied that cost-of-use billing is a complicated issue that the Town should look at in the future. He said that the EV Program is more mechanical in nature than a time-of-use system in that Belmont Light will be able to recognize off-peak usage and have that usage be subject to a voucher or rebate at the end of the year. Williams surmised that the EV Program is not dependent on smart meters. Todreas said that he agreed and that the program is more about educating Belmont residents about using electricity during peak hours and dissuading them from doing so.

IV. DISCUSSION ON BELMONT LIGHT OPEB LIABILITY

The Board continued a discussion on whether, during a December 2008 meeting, a former Light Board had authorized that funds be set aside in an OPEB Trust Fund for Belmont Light. During the April 25, 2016 MLB meeting, the current Board voted to stop segregating those funds and to transfer the existing funds into the Town's fund. At the May 23, 2016 MLB meeting, the Board moved to suspend that vote based on recently-discovered minutes from the December 2008 meeting. At the June 27, 2016 MLB meeting, the Board was made aware of a recently-discovered video of that December 2008 meeting and had agreed to review the video before deciding whether to transfer the funds.

Paolillo stated that he had reviewed the video but that it was still not clear to him what that Light Board had approved. He read the motion as it appeared in the video:

Move, to appropriate amounts recommended by GASB 45 actuarial OPEB schedule to be credited and transferred as needed to the Town by the Municipal Light Department OPEB Special Stabilization Fund.

Paolillo stated that his issues with the motion were: 1) Belmont Light does not have a OPEB Special Stabilization Fund; and 2) what do "as needed" and "credited and transferred" mean in the context of the motion. He suggested that what the former Light Board intended to do was to transfer funds from the Light Department to the Town, as needed, based on whatever the Town was doing to fund OPEB. Paolillo stated that since 2012, the Town Treasurer has been drawing on the Light Department based on the amount decided by the Town and that these payments have been in the form of reimbursements based on the allocated Light Department employees. He concluded that there is an amount of money that may be transferred, but said he was not willing to transfer the entire amount, approximately \$4 million because it would go against what the previous Light Board intended to do with its December 2008 vote.

Williams suggested that the idea at the time of December 2008 vote and later confirmed by the minutes of that meeting was that the funding in questions was meant to go toward the OPEB fund. Makar-Limanov confirmed to the Board that the funding has been collected in the amount of approximately \$400,000 per year since 2008 and that the money is currently in Belmont Light's general fund with an offsetting liability attached to it. She stated that every two years, Belmont Lights gets an actuarial evaluation of its OPEB liability and then use it in financials to show it as an expense.

Williams said that one scenario is that the funding was intended for OPEB and that this Board should determine how to get it into the income statement. Paolillo stated that the previous Board did not intend it in that way, as it did not vote on that during the December 2008 meeting. Williams responded that it was authorized when the Board subsequently approved the minutes from that meeting. Paolillo stated that he based his opinion on his review of the video of that December 2008 meeting and not just the minutes.

Paolillo said that the way he viewed it, the Light Department at the time set aside the funds without authorization from the Light Board and questioned whether this would be under the purview of the general manager as a part of day-to-day operations. Makar-Limanov responded that after the funding began and during the next rate study, the Light Department's auditor considered that the Light Department had been collecting the amount, although it was never set aside on the cash level. Williams stated that the question now was what to do with the cash that had been collected and whether to continue collecting it going forward.

The group discussed the issues of the OPEB funding and the December 2008 vote. Makar-Limanov confirmed that the first collection of funds by Belmont Light was around \$177,000 and that Belmont Light had been transferring \$11,000 to \$15,000 per year as its share of the Town's OPEB liability.

Paolillo stated that there is one OPEB Stabilization Fund that accounts for all employees of the Town, including employees of Belmont Light and that it had never been decided to set up a separate fund for any other department. Williams responded that the OPEB funds had not been set up at the time of the December 2008 vote and he viewed that vote as intending to pay the Light Department's bills the way that GASB 45 is calculated.

Paolillo suggested that the Belmont Light should transfer its allocable share of whatever amount that the Town had funded for OPEB prior to 2012. The Board continued to discuss this issue and agreed to gather more information from Belmont Light before coming to a decision at the next MLB meeting.

V. REVIEW OF LBAC APPOINTMENT APPLICATIONS

Paolillo read the names of the individuals who had submitted applications for nomination to the LBAC: David Schlissel; Glenn Wong; Roy Epstein; Stephen Pinkerton; Travis Franck; and Sarah Jackson. He stated that there had been two resignations from the current LBAC: Patty DiOrio and Gretchen McClain. Paolillo thanked DiOrio and McClain for their service, contribution and efforts, noting that they had both served for approximately twelve years.

There are currently openings for two full members of the LBAC and two openings for associate members. The Board agreed to review the applications and decide on new members during the next MLB meeting.

VI. DISCUSSION ON PROCESS OF EVALUATING LIGHT DEPARTMENT GENERAL MANAGER

Palmer stated that he is in the process of putting together a self-evaluation which he would send to the Board ahead of the next MLB meeting.

VII. FUTURE MEETINGS

The next meeting of the Municipal Light Board was scheduled for September 26, 2016 at 5:30 P.M. The Board discussed the rescheduling of future meetings and agreed to decide on those meetings at a future date.

VIII. REVIEW OF MINUTES DATED 6/27/16

Williams stated that prior to voting on approval of the minutes from the June 27, 2016 MLB meeting, he wanted to point out items of the underlying discussion in the minutes that were factually inaccurate. The Board discussed this issue and decided to table further discussion of those minutes until the next MLB meeting.

IX. ADJOURNMENT

The Board moved to adjourn at 5:37 P.M.