

2018 SEP 14 AM 10:08

## Light Board Advisory Committee Meeting Minutes

Minutes of Meeting held on May 17, 2018  
Belmont Light Conference Room  
7:15 pm

Attending LBAC members: Chair Steve Klionsky, Bob Forrester, Sarah Jackson, Roy Epstein, Ralph Jones, Travis Franck

Non-attending LBAC members: Mark McVay

Belmont Light (BL) attending: General Manager Christopher Roy, Aidan Leary, Maria Makar-Limanov

### I. CALL TO ORDER

- Called to order at 7:27pm.

### II. APPROVAL OF MINUTES

- Feb 18, 2018 minutes approved, no changes. BF moved, SK second, all in favor.
- Apr 26, 2018 minutes approved no changes. SJ approved, SK second, all in favor.

### III. REVIEW OF BL FINANCIAL STATEMENTS 12/31/17 AND '16

- Maria Makar-Limanov presented Audited Financial Statements, Report to Dept of Public Utilities, Internal Control Report, & Internal Memo for fiscal year 2017
- MML: Internal Control report shows no new issues.
  - MML: There is an ongoing problem with collecting from medically-protected accounts. BL is starting process of evaluating how to deal with those accounts. About 30 accounts right now are medically protected
  - MML: 60-70% of receivables outstanding, including commercial, are residential medically-protected accounts.
  - MML: Auditors, Goulet Salvidio Associates (GSA), have proposed a collective letter to the DPU from all their client municipal light plants (MLPs). The question is whether a doctor's note should qualify or whether customer needs to have critical medical equipment installed.
  - MML: BL can still lien accounts
  - SK: We should check with other MLPs on how they do it.
- MML put together a memo with the income statements summarizing the Audited Financial Statements.
  - Revenue increased by \$1.2 million due to higher consumption.
  - Other revenues were higher due to an increase in insurance claims and mutual aid.

- Purchased power didn't increase much but kWh purchased were higher.
- Outside costs were down because of the use of internal, not external, labor.
- Customer collections costs increased due to an increase in DSM spending and a change in the accounting booking.
- Admin costs were up due to the severance with Jim Palmer
- RE: Do you have the total dollar amount of employee increases?
- MML: I can get it for you, but it is not apples to apples. We had some people leave, some people move around the organization, etc.
- There was a decrease of 21% in office supplies due to a change in accounting system booking.
- There was an increase of 17% in outside services due to a shift in the timing of auditing services.
- Increase in legal fees due to the new substation.
- Increase in insurance costs also due to the new substation
- 8% increase in employee benefits due to an increase of pension costs and tuition reimbursement for Jim Palmer.
- \$28k increase in marketing expenses due to an increased number of EV events and other DSM programs
- There was an accrual of \$317k for a settlement with Eversource following their errant readings on new meters.
- This problem has been fixed and BL is working with ENE and Eversource on the settlement
- Final settlement will take place in the Fall.
- BL had a total net income of \$2.8 million
- Overall, Makar-Limanov said that BL's finances are stable, with no concerns.
- MML: On the DPU report, page 54, reporting of purchased power is broken out by provider
  - BL changed the way power was reported to increase transparent of the origin of power contracts
  - SK: It's great that BL is being more transparent about sources of energy.
  - BF: We took a closer look at the disclosure of the power supply. We referenced the Power Supply Policy. There is now reference to the new Power Supply Policy to detail the renewables (17%) and the non-renewables (4%).
  - BF: There is an unrestricted net worth of \$3 million because of OPEB
  - BF: BL has gone back to the standard depreciation rate of 3%, down from 5% that was used during the substation project. This is because 3% is standard for the state and works well for BL because of the new substation financing.
  - 2017 Sales Revenue and were higher than 2016 (4%).
  - There were report issues with Commercial customers between 2016 and 2017, but 2017 are thought to be more accurate because they use the new billing system.
- There was a question about installing new LED street lights. There was a question about the current state of the rollout plan. No one in the meeting was sure.
- RE: The Town might be interested in changing the PILOT payment. There may be inquiries in from the Town in the future.

#### **IV. DISCUSSION OF AMERICA PUBLIC POWER ASSOCIATION'S DEMONSTRATION OF ENERGY AND EFFICIENCY**

- TOPIC: Should BL join DEED, an association for energy efficiency; part of APPA.
- \$2300/year to be a DEED member
- There are grant funding opportunities, internship scholarships and other benefits for members.
- DEED maintains a database for research, that could be useful for strategic planning and using the public data to help rollout other project (e.g., EV charging stations)
- Grants are intended to be beneficial for public power overall.
- Chris Roy is the Region 8 Director for DEED. Started in 2016, and could be through 2022.
- There would be two travel commitments per year for Roy.
- LBAC conclusion: The Committee supports being a member of APPA and adding DEED membership. (no vote)

#### **COMMUNITY SOLAR — DAVE BEAVERS**

- TOPIC: Discussion of community solar, and considerations of why it may or may not be something Belmont would like to undertake.
- Overall, community solar, or community shared solar, is intended to allow owners of homes that unsuitable for solar to purchase a share of a solar array.
- Beavers suggests that there would be a lot demand given interest in solar and BL's Green Choice program.
- Community solar could be an opportunity for lower income residents, who may not be able to finance a solar installation on their own roof.
- Beavers is offering to help research opportunities that may work for BL and the Town.
- Franck asked about the ITC tax benefit: Does the ITC phase-out shift the value proposition of a community solar (owning vs. PPA) and how might the 'typical' arrangements today change.
- Beavers also offered to work with high school students to work on solar related questions and insights.
- Franck asked about the benefit of community solar vs. BL adding a new solar contract to its portfolio. It is something that should be consider when evaluating any community solar project.

#### **ENERGY COMMITTEE UPDATE - High School, Climate Action Roadmap**

- Energy Committee Chair Roger Colton wrote a letter to the High School Building Committee detailing the energy implications and desire for energy efficiency and all-electric.
- Epstein thought geothermal was a big cost to the high school project; wondered if there is a full life cycle cost analysis.

- The Energy Committee's Climate Action Roadmap promotes strategic electrification, which includes promoting renewables, decarbonizing Belmont Light's electricity, encouraging Electric Vehicles, and educating and promoting heat pumps for HVAC needs.

## **VII. EXECUTIVE SESSION**

To discuss confidential, competitively-sensitive contracts and important matters.

*<Withheld from public meeting minutes>*

## **VIII. ADJOURNMENT**

- Adjourned 9:14pm