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**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
TOWN HALL
AUDITORIUM
Monday, August 27, 2018
6:00 P.M.**

I. CALL TO ORDER

Chair Dash called to order a regular meeting of the Municipal Light Board (MLB) at 6:01 P.M.

Present:

MLB – Chair Adam Dash, Member Tom Caputo

Belmont Light (BMLD) – General Manager Chris Roy, Staff Maria Makar-Limanov and Aidan Leary

Light Board Advisory Committee – Chair Steve Klionsky, Vice Chair Mark McVay, Secretary Travis Franck, Members Bob Forrester, Ralph Jones, and David Beavers

Absent:

MLB – Vice Chair Mark Paolillo

II. EXECUTIVE SESSION

The Board moved to go into executive session at 6:05 P.M. (Caputo aye, Dash aye).

- a. **To conduct strategy sessions in preparation for negotiations with non-union personnel**

The Board moved to return to open session at 6:34 P.M. (Caputo aye, Dash aye).

III. 2nd QUARTER 2018 FINANCIALS

Makar-Limanov, Finance Manager for Belmont Light, presented a memorandum (see below) that covered Belmont Light's financials for the second quarter of 2018. She said that revenues were down 6% due to the waiving of the Purchased Power and Transmission Adjustment (PPTA) rate for the first half of 2018 and also due to a drop in kilowatt-hour sales. Purchase power expenses increased by \$1.03 million due to an increase in forward capacity market (FCM) charges. Makar-Limanov stated that Belmont Light was on top of this increase moving forward.

Roy added that the cause of the increase was the ISO FCM process and was not unique to Belmont. Makar-Limanov said, nevertheless, that Belmont Light was helped by not paying the Eversource transmission payment anymore.

Caputo said that, for six months, this is a non-trivial variance. He asked how much of it was predicted going into the year, Makar-Limanov said some of it was a surprise due to the Eversource incorrect billing issue. Roy said that this issue had to do with the forward capacity auction (FCA) and was known several years in advance. He said it highlights the need to monitor the markets more closely so that, when we hit peaks like this, it is not noticeable.

Caputo said that the financials memorandum includes a comparison to last year but not to a budget. He said that you can anticipate changes year to year, so a budget is helpful to determine whether the changes are unusual. He asked whether the Board could expect a budget going forward. Roy said the short answer was yes. The group continued to discuss the process for Belmont Light's financials going forward.

Makar-Limanov said that Belmont Light did not want to change the PPTA charge. Instead, it planned to use the Rate Stabilization Fund to fund the offset. Caputo asked for a projection on the offset figure. Makar-Limanov said that depending on certain figures, an estimate would be \$1.3 million. Caputo asked how much was currently in the Rate Stabilization Fund. Makar-Limanov said it was about \$3.3 million.

Klionsky said the decision between using the Rate Stabilization Fund or the PPTA was over what the goal amount was for the Rate Stabilization Fund versus how much the rate increase would be. Makar-Limanov said that their target for the Rate Stabilization Fund is \$4 million, or about three months of power purchases. Forrester added that the use of the Rate Stabilization Fund was discussed in the Spring. He said we are seeing the results of the PPTA adjustment, that the net income is \$164,000 versus \$2.2 million. He said if that was to continue, Belmont Light would not be able to make its payment in lieu of taxes to the Town without the Rate Stabilization Fund. He confirmed with Makar-Limanov that using the Rate Stabilization Fund could be okay to cover that offset. Dash added that this was all expected news, although not great news.

IV. JOINT MLB/LBAC MEETING TO DISCUSS LBAC CHARGE

Klionsky began by introducing the members of the Light Board Advisory Committee (LBAC) and by thanking Sarah Jackson, who had recently resigned from the committee, for her work.

Dash said that there had been discussion on how all boards relating to the Light Board interact. He had asked LBAC to write down what they do in order to refresh their charge. Klionsky said there was a need to find a balance between LBAC, the Light Board, the General Manager, and the Energy Committee. He said Belmont has a different governance structure, as one of only four of forty municipal light plants (MLP) to have the Board of Selectmen serve as the Municipal

Light Board. Klionsky said Belmont does have an engaged Light Board and a new General Manager, but he noted that in June, the Light Board and LBAC agendas were the exact same. He wondered whether things could be done more efficiently and LBAC could step back from some things or the Light Board could step back from some things.

Dash said he pictured the Light Board as the people's representative, but not subject matter experts. He said LBAC are the independent body who the Light Board relies on for outside technical expertise. He said the June agendas were the same so that LBAC could give the Light Board their thoughts on the items and that there were a lot of things happening at Belmont Light.

Franck added that he agreed with Klionsky about how LBAC works with the Light Board, but he asked, how can LBAC work with Belmont Light. He said that the LBAC charge focuses mostly on the relationship with the Light Board but there is a question how Belmont Light should interact to bring in LBAC. Klionsky noted that this was a key change from the Municipal Light Advisory Board (MLAB). Dash said that the LBAC charge could be changed to insert "...and assist Belmont Light." He also noted that LBAC is doing more than just the demand side management, as stated in its charge.

Dash said the Energy Committee does more than electricity. He viewed the Energy Committee as more of an advocacy group and LBAC as more technical advisors. Dash said LBAC should be working on items that rise to the policy level to support Roy and Belmont Light where needed. Klionsky said he also wanted to be consistent with what Roy wanted. Roy said moving forward, the most important topics will be: rates; power supply; and tailoring everything to get it to what the community wants to see. He said that the more that Roy could identify issues in advance, the more opportunity LBAC would have to review and come to the Light Board with advanced thoughts.

Dash asked LBAC to consider changes to the charge, discuss them with Roy, then present the update to the Light Board. McVay added that there should be a timeline put on these changes, since they have been discussing such changes for years. The group reviewed the next meetings and timeline for changes to the charge. Klionsky said he would endeavor to get things done at the September 13th LBAC meeting to present at the September 17th Light Board meeting. He said he did not want to do anything without Roy's involvement as well.

V. GENERAL MANAGER'S REPORT

Roy gave the following report:

- The final phase of Project B is about 40% complete and construction had moved to Washington Street and the project should be finished by fall.
- Some progress had been made on Project C as well.
- There was a license and maintenance agreement in place to support the Water and Sewer Division smart meter program.

- Roy said he had received many calls about doing a broadband project in Belmont. It was his understanding that a citizen was planning to send out a survey about a potential broadband buildout.

VI. APPROVAL OF MINUTES DATED JULY 30, 2018

Caputo moved to approve the minutes of the Light Board meeting dated July 30, 2018. Dash seconded the motion and the motion was approved with a vote of all in favor (2-0).

VII. FUTURE MEETINGS

The next meetings of the Light Board were stated as follows:

- September 17, 2018 at 6:00 P.M.
- September 20, 2018 at 7:00 P.M. – Presentation on the Cost of Service Study
- October 15, 2018 at 6:00 P.M.
- November 19, 2018 at 6:00 P.M.
- December 17, 2018 at 6:00 P.M.

VIII. ADJOURNMENT

The Board moved to adjourn at 7:09 P.M.