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Light Board Advisory Committee Meeting Minutes

Minutes of Meeting held on July 8, 2020
Virtual Meeting on Zoom
7:30am

DATE: July 24, 2020
TIME: 10:03 AM

Attending LBAC members: Chair Steve Klionsky, Vice Chair Travis Franck, David Beavers, Bob Forrester, Ralph Jones, Michael Macrae

Light Board Chair Roy Epstein

Belmont Light (BL) attending: General Manager Christopher Roy, Rebecca Keane, Maria Makar-Limanov, General Manager-Designate Craig Spinale

I. CALL TO ORDER

- Convened at 7:33am

II. DISCUSSION AND VOTE ON RECOMMENDING GOVERNANCE CHANGE TO INDEPENDENT LIGHT BOARD

- Chair Klionsky opened with the goals for this part of the meeting: to discuss and vote on a recommendation to the Light Board to change the current governance structure to an independent light board. The timing of any proposed change could also be discussed.
 - Four governance reform goals proposed by Chair Klionsky were discussed
 - Jones and Forrester provided a historical perspective based on their experience
 - Jones was convinced of the need for an independent Light Board after the presentation by General Manager Roy and comments from BL employees at a prior meeting.
 - Forrester was convinced of the difficulties in dealing with two boards under the current structure.
 - Forrester raised a concern about bringing any proposed changes to Town meeting.
 - Meeting Members may have never heard about the issue and wonder why it needs to be addressed now?
 - Chair Klionsky agreed with the concern and said that it was important to have all the ducks in a row, including support from the Select Board
 - Light Board Chair Epstein, in thinking on the history, does not believe the Select Board was up to the task of serving as an effective Light Board. MLAB and then LBAC were envisioned to help the Select Board be more effective. The Select Board does not bring a lot additional to the table compared to an independent board.
 - Per timing, for a successful Town Meeting presentation, this Fall may be too busy and there will be no time for an average TMM to understand the issue. He suggests brining the issue to TM in April, 2021. He can't see the details of the warrant being fleshed out by Labor Day.
 - Frank doesn't think it will be controversial at TM and could be presented at the September meeting. He thinks April TM will also be busy.

- In response, Light Board Chair Epstein noted that there would be effectively one to one and on-half Select Board meetings until the time the warrant is due. He doesn't see that as being sufficient for the Board to work out the details.
- **VOTE ON RECOMMENDATION TO THE LIGHT BOARD**
 - "Move to recommend to the Light Board that there be a governance change, and that that governance change would entail a move to an independent governing body for Belmont Light."
 - Recommendation made with reference to the Belmont Light governance reform document prepared by Chair Klionsky
 - Vote: 6 for, 0 against (unanimous)

III. DISCUSSION AND RECOMMENDATION ON ELECTED VS. APOINTED BOARD

- Chair Klionsky noted that most Massachusetts MLPs have an elected board, less than 10 have appointed Boards, but some close to Belmont have appointed boards (e.g. Concord and Wellesley.)
 - The easiest approach legally would be an elected board. Via Chp 164, it can be done with a TM vote.
 - An appointed board can be more complicated, although KP law has suggested ways this could be streamlined.
 - An appointed board may require a home rule petition.
 - Either one is better than the current status, but an appointed board could have an advantage in that a breadth of knowledge on the board could be assured.
- Macrae asked about limits on the size of the board.
 - For elected, the board has to be either 3 or 5 members
 - An appointed board could be any size
- General Manager Roy noted that an elected board can be switched into an appointed one later on.
- In response to a question about how long each approach might take, Jones said either would take months, not years. Jones said that going the appointed board / home rule petition route would be better than first having an election then change the elected board to an appointed – he said such a change could be controversial.
- Light Board Chair Epstein raised the question of what should happen to LBAC if an independent board is established. He suggested that LBAC could have a useful role advising the board and not have the kind of relationship with BL that has existed since its establishment.
 - General Manager Roy solicited guidance from KP Law on this issue and they also suggested that LBAC should advise the board.
 - Chair Klionsky said, "I thought we were voting ourselves of existence."
 - Light Board Chair Epstein argued that LBAC members could have expertise that could help the Light Board.
 - Chair Klionsky noted that the Light Board could decide this issue in the future.
- Chairman Klionsky asked member to address the Elected vs. Appointed question.
 - Forrester said, putting the process aside, he could be persuaded either way. At first he favored the elected route in part to be as accountable as possible to the rate payer

citizens. He was concerned about a single-issue candidate running for the board. However, in talking with representatives of MLPs that have an elected board this issue has not come up. There was a sentiment in Belmont that there are too many elected boards now.

- Jones said that the number of boards in Belmont issue was strictly a Town issue and had to deal with how much authority the general manager had versus the independent boards. He thinks that that Town issue can be segregated from the election versus appointed Light Board question.
 - Chair Klionsky noted that when he looked into other MLP governance a couple of years ago that many towns had more elected bodies than Belmont has.
- Light Board Chair Epstein said there are pros and cons for each approach. No form seems to have a decisive advantage over the other. On elected side, can you be sure of finding sufficient number of candidates? He thinks this would argue for a board of three rather than five. There is a risk of a lack of accountability for an appointed board – used an example from MLAB where an appointed chair stayed on for too long. An elected board would have more oversight.
 - Beavers agreed with Light Board Chair Epstein about better accountability with an elected board and noted that an elected board would be more independent than an appointed one. He also noted that the elected board should be the easiest and fastest pathway.
 - Frank agreed with the better accountability for an elected board. Per the easier process, he saw that as an added benefit. He also thought a 5-person elected board would allow for broader expertise on the board.
 - Macrae asked a question about the size of the board. Is the current size of LBAC too large / overwhelming? What would be a good size for an independent board from the perspective of BL?
 - General manager Chris Roy said coordinating communication with a governing body is easier with ‘5’. Having more than ‘3’ members makes it easier because you can have a second board member in conversation with BL management without constituting a quorum. Not a strong opinion, but would favor ‘5’ from a communications standpoint. For an appointed board, which could have more than ‘5’ members. Does not see having ‘7’ people as a challenge. More of difference between ‘3’ and ‘5’, rather than ‘5’ to ‘7.’
 - Macrae prefers an elected board of ‘5.’
 - Jones: issue to be decided jointly between Light Board and LBAC. Important when bringing to Town Meeting need both groups to sign off. Guesses that the Light Board would prefer an appointed board to maintain control. Originally thought an appointed board would be the best approach because the skills represented on the board could be determined. But now more concerned with getting an independent board and less with how it’s done.
 - General Manager-Designate Craig Spinale agreed with General Manager Roy that ‘5’ would be a good number of members for an independent board. More than ‘5’ hasn’t been a problem but could see where it could be a problem. He doesn’t see a problem with attracting enough candidates in Belmont to serve on a 5-person board.

- Chair Klionsky, for purposes of reporting to the Light Board on Monday, senses a general preference for an elected board among LBAC members, but there is not a strong opposition to an appointed board.
- **VOTES ON RECOMMENDATION TO THE LIGHT BOARD**
 - (1) “Move that LBAC recommends that the Light Board become an elected body in Belmont.”
 - Vote: 6 for, 0 against (unanimous)
 - (2) "Move that the size of the new Light Board be five members”
 - Vote: 5 for, 1 abstention

IV. DISCUSSION AND RECOMMENDATION ON INCLUDING GOVERNANCE CHANGE AT TOWN MEETING

- Chair Klionsky reviewed next steps. LBAC recommendations will be passed on to the Light Board, then LBAC will reconvene and consider the Light Board response to the recommendations.
- Light Board Chair Epstein said that governance will be on the agenda for the Monday 7/13/20 Light Board meeting.
- Frank recommended that the LB governance goals document written by Chair Klionsky be included with the recommendations to the Light Board.

V. DISCUSSION OF TRANSITION FROM ENE TO MMWEC

- General Manager Roy reviewed the potential benefits of transition to MMWEC for power purchase support and other services.
 - Currently ENE serves as a broker /agent and provides regulatory services, represents BL in ISO-NE matters, performs market transactions, finds projects for hedging, and provides DSM programs.
 - MMWEC, a state joint action agency, can provide the services ENE currently covers and offer additional services such as project financing options that ENE cannot.
 - Rather than go to Town meeting to seek authorization for BL to borrow, BL could finance through MMWEC, which would not add debt to the Town
 - Potential to refinance the BL Substation project through MMWEC which would provide debt relief to the Town
 - BL would be a member and thus have a say in MMWEC policies
 - MMWEC could manage an OPEB trust for BL
 - MMWEC can also do cost of service studies
- Forrester noted that BL was using MMWEC but they ran into some financial problems and BL switched to ENE. He asked if BL would get the power advisor services that it currently gets with ENE.
 - General Manager Roy responded that Keane was been thoroughly investigating the support she would receive for power purchases and has met with the MMWEC power supply team several times. The services under MMWEC are roughly equivalent to those provided by ENE.

- Chair Klionsky said he has been generally critical of MMWEC over the past 35 years. For example, they bought too much expensive nuclear power. But he believes that's been turned around.

VI. TOU RATE DESIGN PRESENTATION

- Beavers announced an Excel workbook developed to help compare TOU options. A copy was sent out with other meeting materials.
 - Chair Klionsky raised the issue of price-elasticity and what might be a reasonable value.
 - Macrae suggested developing a version that allowed individual customers to compare TOU options on their individual load profiles

VII. APPROVAL OF MEETING MINUTES

- May 6, 2020 Minutes
 - There was discussion on whether to edit the statement that financial transfers to the Town can only be drawn from the current BL surplus. It was subsequently found that payments could also come prior years' surpluses. It was decided to leave the statement as is.
 - Minutes approved
- June 10, 2020 Minutes approved

VIII. FUTURE MEETINGS

- July 22nd @ 7:30am.

IX. ADJOURNMENT

- Adjourned at 9:31am.