

**Minutes
Town of Belmont
Belmont Municipal Light Board
Virtual Meeting on Zoom
Monday, May 17, 2021
5:30pm**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: August 18, 2021
TIME: 3:03 PM

I. CALL TO ORDER

A meeting of the Municipal Light Board (MLB) was called to order at 5:30pm by Chair Adam Dash.

Present: Chair Adam Dash Vice Chair Mark Paolillo, and Member Roy Epstein. Also present were Light Board Advisory Committee Chair Travis Franck, Belmont Light General Manager Craig Spinale, Finance Manager Maria Makar-Limanov, Communications Coordinator Aidan Leary, and Town of Belmont Human Resources Director Shawna Healey

II. COMMUNITY ANNOUNCEMENTS

Mr. Dash announced that Belmont Light would host a Heat Pump 101 Webinar on Wednesday, May 26, 6:30 P.M. Customers who wanted to learn more about clean, efficient heat pump systems for their homes were encouraged to attend.

III. DISCUSSION OF TOWN MEETING VOTE ON ARTICLE 2 REGARDING LIGHT BOARD GOVERNANCE

Mr. Dash explained that because of the vote at Town Meeting there were about 10 more MLB and LBAC meetings under the current structure. He wondered what actions these groups should take during this time. He was especially concerned about the time of use (TOU) project, and that this issue will get politicized.

Mr. Paolillo said there is over a year before there will be a new light board, and this board should conduct business as usual during this time.

Mr. Spinale explained that it makes sense to do the TOU pilot program this fall regardless of the governance change. Until then, Belmont Light will be educating the public and putting together a recommendation to the MLB about TOU.

Mr. Epstein expressed that there would probably be no action on TOU for another year after the pilot and pointed out that the pilot will be running during campaign season for the next Light Board.

Mr. Paolillo said he doesn't think the current MLB will do anything that a new Light Board would disagree with, but a new board could take whatever action they wished once they were elected. He felt the Board should stay engaged and continue to govern until the election.

Mr. Spinale thanked the board for their help resolving the issue of the governance and said that the Belmont Light staff is grateful.

IV. 2020 FINANCIALS REVIEW

Mr. Makar-Limanov reviewed the 2020 financial documents that had been provided to the MLB including the annual report to the Department of Public Utilities (DPU), the audited financial statements prepared by Goulet Salvidio & Associates P.C., an internal control report, and an internal memorandum which reviews final results, prior and current year, and budget to actual comparisons. She then reviewed the internal memorandum:

- Her general conclusion was that Belmont Light financials were pretty flat in 2020 compared to 2019 and was within the projected budget after revisions due to the pandemic. Total revenue was \$24.7 million which was less than a 1% difference between what was budgeted and when comparing to 2019.
- Sales of electricity were a bit lower than budgeted and slightly higher than 2019 (by about \$12,000).

- Operating revenues were lower than budgeted by about \$84,000 and a little lower by about \$100,000 from 2019.
- Non-operating revenues increased compared to the budget by \$33,000. There was a \$55,000 decrease compared to 2019.
- Total expenses were about \$20,000 higher than budgeted, and \$274,000, or about 1.2% higher than 2019.
- Power Production expenses were \$13.8 million, which included \$800,000 transferred to the Rate Stabilization Fund. There was a slight increase of \$50,000 compared to the budget and an increase of \$200,000 compared to 2019.
- Distribution expenses increased by \$132,000 compared to the budget, a decrease of almost \$400,000 compared to 2019. This was caused by a change in the accounting of standby pay for line workers. Mr. Spinale explained that this was due to the uncertainty of the pandemic which shifted work from capital improvements to more maintenance related. Mr. Paolillo asked if there had been any capital improvements during the pandemic. Ms. Makar-Limanov responded that there was, but not as much as initially planned. She explained that there had been a budget revision in May 2020 which included these changes and costs.
- Customer accounts expenses went down by about \$15,000 compared to the budget and up by \$38,000 compared to 2019.
- Maintenance expense went down by \$11,000 compared to the budget, with an almost \$50,000 decrease compared to 2019.
- Operating income was \$2.2 million, and in December 2020 the MLB voted to transfer a \$1,150,000 PILOT payment to the Town of Belmont.

Mr. Paolillo pointed out that the results made sense since residential sales went up while commercial went down during the pandemic. Mr. Makar-Limanov referenced the internal memorandum which showed the kilowatt hour sales were about 1.6% over budget. Ms. Makar-Limanov pointed out that because of the rate structure, residential growth doesn't completely make up for commercial and industrial losses.

Ms. Makar-Limanov said there had been a statewide moratorium on shutoffs, interest, and penalties which led to a reduction in Operating Revenues. Mr. Paolillo asked if these measures were continuing. Mr. Spinale responded that they will expire on July 1. Belmont Light has started outreach to customers to try and work with them on payment plans. An Account Receivable report would be presented at the next meeting.

- Non-Operating Revenues were down because there were not as many billable jobs during the pandemic.
- Purchased Power Expenses – \$800k went to the Rate Stabilization Fund. Ms. Makar-Limanov pointed out that Belmont Light is increasing the amount of the reserve but also increasing the expenses by this amount. When this money is used, it will reduce the expenses.

Mr. Dash pointed out that while the year was very unusual, overall Belmont Light did very well. Ms. Makar-Limanov agreed. Ms. Makar-Limanov said that Belmont Light is in good shape in terms of expenses and revenues.

Mr. Paolillo moved to accept and sign the Town of Belmont/Belmont Light report to the Department of Public Utilities for the year ending December 31, 2020. Mr. Epstein seconded the motion, and the motion passed unanimously (3-0).

V. GM UPDATE

a) ISO-NE decision on Substation & Transmission Line Project: Mr. Spinale reported that the substation ruling had finally been received from ISO-NE. He reviewed the history of this issue and shared that the project has been ruled 100% regional so there are no local charges that Belmont Light would have to pay to Eversource. There was a brief discussion of the matter.

b) Home Electrification Event with Energy Committee: Mr. Leary reported on the event that was held April 29. It included live demonstrations of heat pumps, induction stoves, solar and heat pump hot water heaters, as well as discussion of rebates that Belmont Light can provide. The recording will be posted to the Belmont Light homepage.

c) Summer Business Hours: Mr. Spinale reported that starting May 17, Belmont Light will shift business hours to 8:00 a.m. - 6:00 p.m. on Monday, 8:00 a.m. - 4:30 p.m. Tuesday-Thursday, and 8:00 a.m. - Noon on Friday. He expected to open the office to the public in the next 30 days or so.

d) Reminder of GreatBlue survey: Mr. Leary reminded the Board about the biannual customer satisfaction survey conducted by GreatBlue Research, Inc. Which started that day, May 17, 2021. Results would be presented to the MLB later this year. Mr. Spinale said this is a valuable tool and helps them formulate programs and that data is incorporated into the Strategic Plan.

VI. LBAC LIAISON REPORT

Mr. Dash deferred to Mr. Franck, LBAC chair. Mr. Franck reported a battery and storage opportunity for grants, and that LBAC expected funding opportunities will come because of the new climate bill. He said National Grid is applying to the DPU to do geothermal at various sites and LBAC would look into this for the Beech Street Center or perhaps the Housing Authority. Finally, LBAC was keeping on top of Chenery Solar, and the Energy Committee is working on EV data.

The Structural Change Impacts group has several ideas for Belmont Light that they are considering, and proposals will come soon.

Mr. Paolillo asked about moving ahead for grants for the former incinerator site. Mr. Franck explained that there had been a section that they thought did not need a cap, but that thinking was incorrect, and nothing can be done until there is a cap across the entire site. The group discussed potential post-cap uses. Mr. Paolillo felt the site could be used to achieve Belmont's climate action plan goals.

Mr. Paolillo raised the point that the Town be looking to make investments into converting its fleet to electric vehicles. Mr. Dash said that it would be possible in some cases, but not so in others, although he supported moving in that direction.

VII. APPROVAL OF MEETING

Mr. Paolillo noted that he was not on the Board in February, so he would abstain from voting on those minutes.

Mr. Epstein moved to approve the minutes of February 8, 2021. Mr. Dash seconded the motion which was passed with Mr. Dash and Mr. Epstein voting in favor and Mr. Paolillo abstaining.

Mr. Epstein moved to approve the minutes of April 12, 2021. Mr. Dash seconded the motion and the motion passed unanimously (3-0).

VIII. EXECUTIVE SESSION

Mr. Paolillo moved that the MLB go into Executive Session to discuss competitively sensitive or other proprietary information (Hydro Power Contract Opportunity), and to discuss strategy with respect to collective bargaining (IBEW, Local 104). Mr. Epstein seconded the motion and the motion passed unanimously. The MLB went into Executive Session at 6:17pm.

The MLB returned to the General Session at 6:35pm.

Mr. Paolillo moved to leave Executive Session. Mr. Epstein seconded the motion and the motion passed unanimously.

IX. DISCUSSION AND POSSIBLE VOTE ON HYDRO POWER CONTRACT OPPORTUNITY

Mr. Spinale explained that NYPA had presented an opportunity for a peak power contract. It is a 10-year contract with competitive rates to today's market conditions.

Mr. Paolillo moved to endorse Belmont Light in signing an agreement for power from the NYPA Niagara Power Project, as outlined in Executive Session. Mr. Epstein seconded the motion and the motion passed unanimously.

X. DISCUSSION AND POSSIBLE VOTE ON COLLECTIVE BARGAINING AGREEMENT WITH IBEW, LOCAL 104

Ms. Healey reported that there is an agreement with a 3-year contract between Belmont Light and the IBEW, Local 104, effective January 1, 2021 through December 31, 2023.

Highlights of the contract include:

- Cost of Living Increases of 2% in FY21, 2.62% FY22, and 3% in FY23,
- contractual language changes,
- an increase in standbys for line workers (from 12 to 14 hours regular weeks, 14 to 16 hours holiday weeks,
- a step has been added to Grade 10 for the Meter Specialist,
- an adjustment to vacation weeks

Mr. Paolillo moved to approve the contract between the Town of Belmont Municipal Light Department and the International Brotherhood of Electrical Workers, Local Union Number 104, for the period of January 1, 2021 through December 31, 2023, Mr. Epstein seconded the motion and the motion passed unanimously.

XI. PUBLIC COMMENT

No public comments.

XII. FUTURE MEETINGS

- a) June 21, 2021
- b) July 19, 2021
- c) August 16, 2021
- d) September 20, 2021
- e) October 18, 2021
- f) November 15, 2021
- g) December 20, 2021

XIII. ADJOURNMENT

Mr. Epstein moved to adjourn the meeting of the Municipal Light Board. Mr. Epstein seconded the motion and the motion passed unanimously. The meeting was adjourned at 6:39 p.m.

Respectfully submitted by,

Susan Peghiny
Recording Secretary