

**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
Remote Meeting via Zoom
Day, June 22, 2022
7:30 a.m.**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: July 13, 2022
TIME: 2:36 PM

CALL TO ORDER. Chair Steve Klionsky called a meeting of the Municipal Light Board (MLB) to order at 7:30 a.m.

Present for MLB was Chair Klionsky, Vice Chair David Beavers, and Members Travis Franck, Andrew Machado, and Michael Macrae.

Present for Belmont Light was General Manager Craig Spinale, Assistant General Manager Sam Osancevic, Energy Resources Manager Becca Keane, Finance Manager Maria Makar-Limanov, and Communications Coordinator Aidan Leary.

Others: Bob Forrester

APPROVAL OF MINUTES

Motion: *Mr. Franck moved to approve the minutes of the May 24, 2022, Regular Session of the Municipal Light Board. Mr. Macrae seconded, and the motion passed unanimously by rollcall vote.*

Motion: *Mr. Beavers moved to approve the minutes of the May 24, 2022, Executive Session of the Municipal Light Board. Mr. Franck seconded, and the motion passed unanimously by rollcall vote.*

TIME OF USE PILOT UPDATE

Mr. Spinale provided a general overview of the status of the Time of Use (TOU) pilot, explaining that these are *observations* at this point. They will have better data after the summer months.

Ms. Keane reviewed the summary of the billing and sales data, pointing out that the average TOU rate was \$0.17/kWh which is about a \$0.02 lower than Rate A and is a savings of about \$23/month. She also highlighted that the TOU group has a higher monthly consumption than the Rate A group which was about the same as last year. Because of this, the TOU customers will be compared to their own historical usage rather than to Rate A customers. They will also compare sub-sets of the TOU group (EV customers to other EV customers, solar to solar, etc.). There was a discussion of why the TOU group has higher consumption.

Mr. Machado asked if Ms. Keane could cross-check to see when heat-pumps were installed so the incremental spike in consumption could be observed. Ms. Keane agreed to do this.

Ms. Keane then reviewed several pieces of data for TOU, including on-peak vs. off-peak consumption for the quarter (TOU and buyback), Q1 comparative revenue, and peak costs. There was discussion for each item.

Mr. Leary explained that a survey had been sent to all TOU Pilot participants and it yielded a 50% participation rate. He reviewed the key findings of the responses. There was a discussion of how to help the people who had reported not seeing savings under the TOU see their savings.

S&P GLOBAL CREDIT RATING

Mr. Spinale pointed out some highlights of rating document from S&P Global and explained that the numbers are based on 2020 data. Belmont Light is rated AA- which is a stable rating and is the same as before. This result was expected. S&P liked that Belmont Light has a healthy liquidity position (thanks to the Reserve Fund), that the makeup of the Town of Belmont allows Belmont Light rate flexibility, the good use of the PCA, and finally they liked what Belmont Light is doing with the Comprehensive 5-Year Financial Forecast and the 5-Year Capital Budget Plan. They were not as happy with the fluctuations in the PILOT, and the Power Purchases coming off the books next year, but these can be repurchased at any time.

Mr. Forrester said this rating is separate from the Town (which has a AAA rating) and pointed out that Belmont Light is able to borrow through the Town if desired. He also thinks S&P was keeping an eye on the fiber discussions.

There was a discussion of the credit rating report and power purchasing plans, including contract lengths.

2022 FINANCIALS

Mr. Spinale explained that they would review the 2021 numbers at a high level.

- a) 2021 Audited Statements: Ms. Makar-Limanov reviewed the documents that had been shared with the Board. She said Belmont Light was in line with the budget and compared well to prior years. She shared some of the details of the information provided in her memo. There was a discussion and questions about the numbers including PILOT payment, power purchase costs, and materials & supplies.
- b) 2021 Annual Report to the Department of Public Utilities: Mr. Spinale explained that the Municipal Light Board needs to sign the report and asked the members to stop in to do this. It includes the same numbers as appear in the Audited Financial Statement in addition to some other information.
- c) 1st Quarter 2022 Financials: Ms. Makar-Limanov presented preliminary first quarter results, which she pointed out are not representative of the year. Preliminary revenue is at \$6.6 million which is about 5% higher than the budget but aligns with the same quarter last year. She then gave details of the various revenue streams. She then reviewed the expenses so far which are \$7 million which is \$46,000 (or less than 1%) higher than the budgeted amount. She then reviewed the expenses in detail and responded to questions and provided comparisons to Q1 for FY2021.

Mr. Forrester noted that the price of renewable energy certificates (RECs) is continuing to increase and is becoming a significant part of the income statement. He also mentioned that Pension & OPEB will bounce up and down and will likely go up and stay there for a while due to the stock market. He said Belmont Light needs to plan for this especially since the actuarial tables used are out-of-date.

Mr. Klionsky asked when the final REC expenses will be known for 2021. Ms. Keane said they have not been invoiced yet, but it should come soon. Ms. Makar-Limanov said financials are audited so there can be no changes to FY2021, and any differences will hit FY2022 financials. There was a discussion of the RECs issue.

GENERAL MANAGER'S UPDATE

- A. *GM Goals*: Mr. Spinale said that because of the governance change, the old Municipal Light Board declined to set goals for him and deferred to the new board, so Mr. Spinale shared his current goals document.

There was a review/discussion of Mr. Spinale's goals. Mr. Klionsky said he has hopes that someone on the Board would work with Mr. Spinale to sharpen the goals. Mr. Macrae suggested that he and Mr. Machado could do this, with input from the entire board, and proposed how that might work.

Mr. Klionsky pointed out that they are not creating a subcommittee. Rather, some of the board members will talk with Mr. Spinale to help the Board better understand his goals. There was discussion of managing this process and correspondence in relation to the Open Meeting Law.

Mr. Franck asked to see Mr. Spinale's performance review and goals from two years back, and Mr. Spinale said he would provide those.

Mr. Beavers said there are some unique challenges being faced and suggested that Mr. Spinale highlight these issues.

Mr. Klionsky noted that communication to the public is an important part of Spinale's goals. He mentioned the PCA changes and asked if Belmont Light should have a section in the Town Administrator's monthly bulletin to Town Meeting members explaining rate pressures, activities, etc. Mr. Leary explained that PCA changes were highlighted in the bill messages and customers were directed to Belmont Light's website for a full explanation of the changes.

PUBLIC COMMENT

Roger Wrubel asked if the high schools' solar installation goes towards the renewable energy that the Town credits to Belmont Light. Mr. Spinale said it depends on who purchases the RECs that they create. If Belmont Light were to purchase them they would be a renewable attribute on the power supply. Mr. Wrubel asked if this would save the Town money or would it be like buying RECs on the open market. Mr. Spinale said this still needs to be worked out but he believes the Town will be retiring their RECs to reach net zero status.

Phil Thayer said that for the high school to achieve Class D Zero Net Energy the School Department will have to include a line item in their budget to buy RECs, which means they would not want to sell their RECs but rather maintain them and buy more.

There was a discussion of this issue and Belmont Light's involvement.

FUTURE MEETINGS

- July 13, 2022
- August 24, 2022

EXECUTIVE SESSION To discuss trade secrets or confidential, competitively sensitive or other proprietary information (Renewable opportunities).

Mr. Klionsky explained that at the June 8, 2022 meeting, there was an indication that the Board was going into Executive Session. However, this did not occur because of procedural issues.

***Motion:** Mr. Macrae moved that the Municipal Light Board go into Executive Session to discuss trade secrets or confidential, competitively sensitive or other proprietary information (Renewable opportunities). Mr. Beavers seconded, and the motion passed unanimously.*

The Municipal Light Board went into Executive Session at 9:45am.

The meeting was adjourned in Executive Session.

Respectfully submitted by,

Susan Peghiny
Recording Secretary