

Governance of Belmont Light

REVIEW OF DISCUSSIONS 2004 - 2020

JUNE 2020

PRESENTED TO THE BELMONT MUNICIPAL LIGHT BOARD

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Introduction

The issues of governance of Belmont Light and whether to have an independent Municipal Light Board separate from the Select Board (previously Board of Selectmen) has been a major topic of discussion since the creation of the Municipal Light Advisory Board in January 2005.

This review includes excerpts from minutes of Municipal Light Board (MLB), Municipal Light Advisory Board (MLAB), Light Board Advisory Committee (LBAC), and other public meetings in which the topic of governance was discussed.

Establishment and Early Years of MLAB

BOS Meeting, December 13, 2004 – Electricity Supply Study Committee re: Committee Report and Recommendations

The Belmont Electricity Study Committee appeared before the Board of Selectmen to present and discuss its report and recommendations on the future of Retail Choice in Belmont. The Board voiced its general support for the recommendations made by the Committee as articulated in its Report and Recommendations dated December 6, 2004, and summarized below:

1. Belmont should not pursue retail choice at this time.
2. The Belmont Municipal Light Department should monitor developments in the markets for indications that the retail choice questions should be revisited.
3. The Belmont Municipal Light Department should proceed with proper planner and procurement of power supply for the entire community's needs. The status of retail choice issues like the state of the market should be revisited as the Department plans for its new contract in 2006.
4. A new, single purpose Light Board should be formed to provide direction and governance consistent with the current risks in power supply and related financial markets.

The Board of Selectmen requested that the Electricity Study Supply Committee develop a draft charge for a new Belmont Municipal Light Advisory Board for the Board's consideration in mid-January 2005.

MLB Meeting – January 10, 2005

Solomon stated that since no one on the current Light Board is an expert in this specialized (municipal electric utility) field that a different type of board/committee should be set up, either appointed which would take an act of legislation, or elected. The Board and the Committee reviewed a draft charge to a proposed new advisory board/committee. McCarthy noted that the draft charge states that all matters to come before the Municipal Light Board would be reviewed by the advisory board/committee prior to presentation to the Board. He said he was concerned about the potential of sensitive personnel matters being reviewed by the advisory group. McCarthy also stated that the Manager's authority is defined in Chapter 164 and is not subject to review by the advisory group. All present agreed to several minor word changes to the draft charge and also agreed to send the draft to Town Counsel for review.

Brownsberger moved to create a Municipal Light Advisory Board consisting of five members to be appointed consistent with the Town By-Laws and that the draft charge, subject to the review and

approval of Town Counsel, would be the charge to the new board. The motion was seconded and unanimously approved.

Solomon asked the current Belmont Electricity Supply Study Committee if they would like to become the Municipal Light Advisory Board. Ashley Brown (Chair), Patricia DiOrio, Robert Forrester, Robert Kenny and Gretchen McClain all accepted. Mr. Kenny said that he felt Mr. McCarthy should be on the Advisory Board after his pending retirement and that he (Kenny) would step down from the Advisory Board at that time.

Dr. Solomon moved to appoint the members of the Study Committee to the Advisory Board with terms of the members to be determined internally at their first meeting and reported back to the Selectmen at the next Light Board meeting. The motion was seconded and unanimously approved.

Original MLAB Charge

Background: The BMLD Advisory Board (MLAB) would be established by the Board of Selectmen to assure that the board governance structure of the BMLD provides focused direction and oversight to the manager of the Department that is consistent with their respective statutory roles, in light of the increased complexity and risk factors in the power supply and related financial markets. It would be a “permanent appointed board” as defined in Article 3.1.3 of the Town’s By Laws, which shall exist until such time as the Board of Selectmen cease to be the governing Board of BMLD and a permanent, independent Board is put in place, as recommended by the Electric Supply Study Committee,

Composition: The Board would be comprised of five (5) voting members, appointed by the Selectmen, including persons with expertise in at least some of the following areas: engineering, relevant technology, power and related financial markets; finance, economics, marketing, legal and regulatory matters related to municipal utilities; and knowledge of the history and operations of the BMLD and the community it serves. The members would be appointed for three-year terms in conformity with the process set forth in Article 3.2.

Responsibilities: It would be the responsibility of the MLAB to:

- 1) Assist the Selectmen in: discharging their duties under G.L. 164, Section 56, including advising them on the selection and compensation of the manager and assessing the manager’s exercise of his or her duties; setting the strategic direction of the department and periodically reviewing this direction and updating it in light of developments in wholesale and retail power and related credit markets; and monitoring progress towards the goals of the department, including the identification and use of key indicators and trends to compare BMLD performance with industry standards. It is anticipated that all material matters that are taken up with the Board of Selectmen, acting as the BMLD Board, will be reviewed by the MLAB provided, however, that the failure of the Board of Selectmen to refer a matter to the MLAB for review, or of the MLAB to consider a matter once referred, shall not affect the validity of Selectman’s action thereon.
- 2) Meet and confer with the manager and make recommendations to the Board of Selectmen on: issues related to the authority vested in his or her position under G.L. 164, including operation and maintenance of the departmental plant, the procurement of power supplies, service quality, rate structure, and related matters of customer services, human resources, financial, and legal

management, including litigation; efficiency and effectiveness of operations; and communication to the community regarding the performance and value of the Municipal Light Department, and other matters, such as the overall policy direction and posture of BMLD in regard to its mission.

- 3) Meet no fewer than four times per year and report periodically to the Selectmen regarding its activities and its opinion as to whether the manager has the direction and resources necessary to lead the Department effectively. All meetings of the MLAB shall be held in compliance with the requirements of the Open Meeting Law.

MLAB Meeting, February 10, 2005 – First meeting of newly constituted MLAB

The Board discussed whether or not the Selectmen/Light Board intended to have the issue of an appointed Municipal Light Board taken up at the upcoming Annual Town Meeting. Mr. Forrester suggested any action on the issue may want to be deferred pending evaluation of the Municipal Light Advisory Board. Brown suggested he (Brown) would call Chairman Solomon for input on the issue. The Board agreed.

MLAB Meeting, February 24, 2005

The Board asked McCarthy to arrange for the Board to meet with the Selectmen/Light Board on March 7, 2005 for the purposes of discussing several items including the possibility of including the matter of a permanent, separate Light Board on the Annual Town Meeting warrant and the role of the Advisory Board in the selection of a new Manager.

MLB-MLAB Joint Meeting, March 7, 2005

The two Boards then discussed future meeting schedules. It was agreed that the two Boards would jointly meet at least twice a year and that other meetings could take place as needed. Brownsberger also suggested that more mundane matters that required a Light Board vote could be included as part of the Selectmen's "Action by Writing" agenda.

MLAB Meeting, January 24, 2006 - Governance

MLAB reviewed other national boards and their governance policies and procedures. This discussion will be continued at the next BMLD Light Board meeting on Monday, February 6, 2006 at 6 pm in the Selectmen's Meeting Room.

MLB-MLAB Joint Meeting, February 6, 2006 – Governance

MLAB recommended to the Light Board that they become the Light Board. Selectman Solomon reviewed an earlier memo from Town Counsel regarding the procedures and options if this were to occur.

MLAB Chair Brown discussed some issues the Belmont Municipal Light Department is facing in the future: power supply, asset management and capital plans. MLAB recognizes the Light Board is the elected body, but pointed out the need for minimizing a conflict of interest. MLAB is unanimous in making the recommendation that the MLAB become a five member Light Board with staggered three year terms.

Selectman Brownsberger pointed out this will increase MLAB's current investment with the Belmont Municipal Light Department. It is desirable to have a measurable independence from the Light Department. Selectman Brownsberger is in support of this general proposal which includes an appointed board.

Selectman Firenze is supportive of MLAB's work for the Belmont Municipal Light Department. Town Meeting would need to vote on this issue. He is instinctively opposed to this proposal and abdicating this responsibility. The ultimate responsibility for the Belmont Municipal Light Department should remain with the Selectmen.

Selectman Solomon feels strongly in favor of appointing a separate Light Board from the Board of Selectmen. This business is so specifically related to the technology and understanding of this industry. He reiterated he would be in favor of an appointed Light Board.

Selectman Brownsberger added that we do not have the legal authority on this Department except for hiring and firing the Light Department Manager.

Selectman Solomon would rather go forward on this with a unanimous recommendation from the Light Board, not a majority recommendation. He recommends we carry on the way we are, noting MLAB has been an extraordinary force working with the Light Board. We will revisit this in another year.

Selectman Brownsberger offered to table this discussion for tonight, and he encouraged MLAB to bring this issue back to the Light Board before late March or early April. Selectman Firenze supports bringing this back to the Light Board in another year. Selectman Solomon offered MLAB to come back to the Light Board in the next 4-6 weeks if MLAB can offer other points of view on this topic.

Selectman Brownsberger suggested that MLAB provide a hard argument on the Board of Selectmen having a conflict of interest being the Light Board, and then he does not need to go forward with a unanimous vote, but a majority one.

Selectman Solomon and the Light Board thanked the MLAB for their great work on this Board.

MLB-MLAB Joint Meeting, March 20, 2006 - Delegation for Closed Meetings under MGL Ch. 164 §47D

Selectman Brownsberger made a motion, Selectman Firenze seconded said motion and the Light Board unanimously voted to delegate the Municipal Light Advisory Board to assist the Municipal Light Board in carrying out its duties under the law, and delegating Municipal Light Advisory Board the authority to participate in proceedings within the jurisdiction of the Board, and to provide the Board with recommendations as to official actions to be taken by the Board.

MLAB Meeting, April 25, 2006 – Governing Issues

MLAB discussed the types of governments and attaining the credit rating to determine if there is a correlation. Ms. Diorio reviewed some of the MA municipal light departments and the type of boards they have. The scope and scale are usually the determining factors in whether there is an elected or appointed board.

MLB-MLAB Joint Meeting, August 7, 2006 – Discussion on Light Board Governance

The LB and MLAB discussed that while it is the absolute responsibility to for the manager to make decisions, they should be brought to the Light Board for their knowledge. The LB and MLAB will discuss the Light Board governance structure during their next joint meeting on September 25, 2006. This will include a discussion of other Massachusetts Light Boards governance structure.

MLAB Meeting, September 25, 2006 – MLAB's Governance

MLAB reviewed reasons changing the current structure of MLAB's governance.

MLB-MLAB Joint Meeting, September 25, 2006 – Discussion on Light Board Governance

Mr. Brown reviewed the reasoning for creating independence for the Municipal Light Advisory Board. There are policy issues, but this is mostly a commercial activity, which needs oversight. Mr. Kenny added that the Board needs to be proactive rather than reactive, which can be difficult with the current Light Board's schedules.

Dr. Solomon reviewed the mechanisms available for creating an independent Light Board. Mr. Brown and MLAB recommended that the Board of Selectmen make the appointments and obtain subsequent approval from the state legislature.

Dr. Solomon is concerned that if the board structure changed, then how can they maintain oversight or communication and an understanding of what is going on regarding the manager's compensation. Mr. Brown responded that the Selectmen can conduct public meetings with the Light Board.

Mr. Brownsberger believes the expertise is necessary and to retain that expertise, we need to give them some independence. Dr. Solomon agreed with Mr. Brownsberger's point.

Mr. Firenze emphasized that he does value the input of MLAB, but he does not support an independent Light Board. He thinks the situation has worked well so far, since the current Light Board gives a final approval on the actions taken by MLAB. Both the LB and MLAB continued to discuss the accountability of an independent Light Board.

Mr. Kenny asked if there was any way we can keep the same structure, but delegate certain responsibilities to MLAB. Mr. Brown pointed out that MLAB feels constrained with what the limits of responsibilities and decisions that can be made with future power supply issues. He cited the next power portfolio allocations as an example of what MLAB's role is on that decision.

Dr. Solomon would like to have MLAB think about the areas they would prefer to act without Light Board interference. MLAB will return an answer to the Light Board on whether MLAB wants to move forward on November 13 or the spring of 2007.

MLAB Meeting, October 4, 2006 – MLAB's Governance

MLAB reviewed reasons changing the current structure of MLAB's governance. At a minimum, there needs to be a clear scope defined for MLAB.

MLAB Meeting, October 19, 2006 – MLAB's Independence

Mr. Brown updated MLAB regarding a previous discussion with the BOS and Warrant Committee. He met with the WC Chair and added that there will be a joint meeting in the near future.

MLAB will aim to get this independence issue on the Annual Town Meeting warrant in April 2007.

MLAB Meeting, October 30, 2006 – Other

MLAB would want unanimous support from the Light Board on going forward with putting the independence issue on the Annual Town Meeting Warrant.

MLB-MLAB Joint Meeting, October 30, 2006 – Discussion of Light Board governance

Dr. Solomon reported the Warrant Committee would prefer not having a separate Light Board than the Board of Selectmen. Dr. Solomon believes the governance should be an article on the Annual Town Meeting Warrant. The Warrant Committee would like MLAB to come and present to them as to why the change in governance should be made.

Mr. Brown informed the Light Board that MLAB is unanimous about going forward with independence.

Mr. Forrester updated the LB on the upcoming period requiring a lot of time by MLAB: hiring a new Manager/CEO, plant and substation rehabilitation, and workforce growth and adapting to new ways of business.

MLAB sees three possibilities for such support: (1) the Selectmen/Light Board dedicate that time necessary, (2) the Board become independent with the process supported by the Selectmen, and (3) another advisory board can be named to operate under the present structure.

Dr. Solomon pointed out the one issue he is concerned about is personnel/HR/salary issues. It is the interaction and information getting back and forth before decisions are made. He would like a documented way of communication and interaction be made known with the Town's HR Director.

Mr. Brownsberger would like to have a system where we can retain high caliber volunteers and employees. He compared the responsibilities MLAB has to other Town Boards, who do not come back to the Selectmen for many issues because they have statutory authority. A greater remove is exactly what is required given what we are asking MLAB to do.

Mr. Firenze feels confident in the current structure and the Selectmen's ability to oversee the Light Department.

Dr. Solomon would like this to go forward onto the Annual Town Meeting Warrant, but it would be with a divided vote of the Light Board. It will be necessary to make this a public process. He added that he will personally go out to get signatures if the Selectmen do not vote to put this on the Warrant.

The current MLAB committed to staying as the Advisory Board through the April 2007 Annual Town Meeting.

MLAB-Warrant Committee Joint Meeting, January 10, 2007 – Municipal Light Advisory Board (MLAB) Presentation (PowerPoint Presentation Attached)

MLAB Chair Ashley Brown provided WC with a comprehensive handout of the presentation. He began with Belmont Municipal Light Department (BMLD) and MLAB's history and recent activity:

MLAB was formed by statute in 2003 to look at retail choice. The Advisory Board met for a total of 41 hours in 2006 during which important questions arose: If the BMLD was operating independently, who was watching? Where was the accountability? Also – the market became extremely competitive, environmental issues crept up, and closer oversight was needed. The Advisory Board wanted an independent board structure and the BOS didn't have time.

After Tim McCarthy retired, a new manager was hired. Budget and safety issues were evaluated. Lineman recruitment has become very difficult due to low salaries, thus causing a major problem in trying to increase safety.

The MLAB explained that this takes a lot of time. Many functions are unnecessarily duplicated. Also the BOS have conflict in roles and the BOS can't do all their duties and be expected to learn the complexities of the electricity industry as well. It just doesn't make sense.

Therefore the MLAB proposes "That the Town begin the process of changing the status of the Board from a permanent advisory board to a permanent appointed governing board." See page 6 of handout.

There are almost no legal ramifications because the board already has a quasi-independent status. Page 7 lays out the proposal's rationale and key considerations.

The goal is to create an open, effective process – without duplication. BMLD already has independence, we need the oversight – as this industry is changing fast! Many new issues now exist.

At this time the WC posed several questions.

Town Administrator Younger inquired about how Belmont's salaries compared with other municipalities. Acting Manager Richardson replied that they were average, or just over it. Member Heigham asked – what's the market that we're operating under? Chair Brown felt that there were good health and retirement benefits in general – since employees have town benefits. Manager's salary is

lower than in industry. Member White asked about a separate credit rating for Belmont. Chair Brown responded that if town has financial difficulties we need to be a separate business and that the revenue stream has to be sufficient to cover contracts separate from town. Chairman Jones asked – why not have total independence, why not have private utility? Chair Brown felt that accountability issues arise, and trade offs have to be made.

BMLD CFO Kristina Frizzell answered the question regarding the credit rating. It is currently certified by Moody's at AA-, one of the highest municipal light department ratings in the state. The Town has a AAA rating. All current bond issues are General Obligation Bonds under the Town, not Revenue Bonds. The credit rating is for the purpose of entering contracts with energy suppliers.

MLAB Vice Chair Forrester summarized the MLAB proposal:

The BOS would appoint members for their terms and still advise, public meetings would be held, but the manager would set budget and allocate responsibilities. [Refer to Summary on page 17 of MLAB's handout.] This process is complex, it's a small business – one with pricing issues. The board is its own expert and BOS have a lot of Town responsibility. These entities need to be segregated so we should proceed with process to establish an independent board.

Chairman Jones opened the discussion to questions.

Member Widmer inquired about the advantages to being independent. Chair Brown responded that the process of reporting to the BOS takes an enormous amount of time – just negotiating the manager's salary has taken an enormous amount of time and there are the revenue stream questions. Widmer asked – Can policies be constructed without going to an independent appointment board? Brown was not sure. Member Doblin expressed that she was not persuaded that this is right time for change and said that the option of selling the light department hasn't been explored. Chair Brown said that Belmont doesn't want the higher rates, and that NSTAR tends to be far less sensitive to the needs of local communities. Doblin pressed about the need to change current status now – what's the added benefit? Brown spoke about accountability and the BOS time constraints.

Member Brusch asked about the data on page 16 of the handout. Brown replied that it has not changed legally, but that the manager would have more oversight. Furthermore, the power supply market has changed fundamentally – that's why we should make the change now: we need people who are watching this all the time.

Widmer sees huge reasons not to sell off the BMLD – especially sensitivity to consumer issues, but he asked – is there really any reason, other than time, to make the change now? Brown replied that the manager's salary issue was made more difficult because the BOS didn't understand the labor market differences. It took an enormous amount of time. SC Chair Gibson stated that she was persuaded that having the Board that the Advisory Committee is recommending would be in the Town's best interest, that expertise and oversight is important, and that the credit rating issue is complex and important. Member Callanan asked – If independent, where would discussion take place? Brown replied that it's subject to law and the Committee will continue to meet with BOS. Member Curtis said it was a problem for them to act like a private enterprise with Belmont's public employees. BOS needs to oversee salaries for Belmont employees. If they are not overseen, it would be seen as a special

deal. Brown replied that the flip side is having a hard time recruiting people, due to non-competitive salaries in this different market. Chair Jones commented that a lot of positions are hard to fill due to low salaries – IT, for example. Widmer expressed that he was not sympathetic to the arguments put forward thus far. Brown replied that this is a dynamic market place – must move quickly on opportunities, which can't be done with cumbersome decision-making process. Member Tillotson asked about how this change would affect our ability to purchase? Richardson replied that, under the alternative of selling the light department, prices could triple or more, that NSTAR has no incentive to keep prices low, and that the overall role of the BMLD has changed.

Chair Jones said the WC will discuss and meet again with MLAB. He thanked them for the presentation. BOS member Solomon said it was one of the best meetings he's heard, that the issues and what's involved have been explained.

MLB-MLAB Joint Meeting, February 26, 2007 – MLAB governance discussion

Mr. Brown informed the Boards that the Warrant Committee is no further along with discussing a different structure for the Light Board/Advisory Board. He assimilated the proposed structure to the Hydro-Quebec project.

Mr. Brown added that he understands the proposed possible structure to be a commercial entity owned by the Town with its own independent governance. However, it would have to follow the basic policies of the Town. It would be independent on a day-to-day operations and power supply.

Mr. Firenze reiterated that he is not in support of a change in the Advisory Board's current structure. He would like MLAB to be intimately involved with the power supply procurement, contracts, and policy issues.

Mr. Brownsberger proposed having MLAB consider a "Magna Carta" of what they will agree to do that are fully theirs to resolve. Dr. Solomon suggested BMLD conduct an independent salary study to determine a specific baseline for the area's utility market. What policy decisions can be directed at which board. Mr. Solomon stated that the BOS does not have the time to deal with MLD issues. It was added that present system doesn't work well. Full support of Board is not likely, full support of WC not likely. Dr. Solomon would like more consultation between the Light Board and the Light Department with any situation that goes on in the future.

MLAB and Mr. Firenze will come back at a future meeting with a proposed compromise solution on MLAB's future governance.

MLAB Meeting, April 5, 2007 – Governance

Mr. Brown notified MLAB that the Light Board would like to maintain control over personnel policies. He added that the Light Board would like to work with MLAB and determine a role model form of governance that BMLD/Light Board/MLAB could then follow. Mr. McCarthy and Mr. Brown will follow up on this topic.

MLAB Meeting, May 8, 2007 – Governance

Mr. Brown and MLAB discussed the practices of similar municipal utilities. Mr. McCarthy updated the group on why some of the practices exist. MLAB discussed similarities with retaining and recruiting staff keeping with the Town's fiscal constraints. Mr. Richardson mentioned he would like to go forward with Dr. Solomon's idea from the February 26 joint meeting to conduct an independent study pertaining to the Light Department positions and compensation. MLAB agreed we should follow through with that recommendation. Mr. Richardson will follow up with conducting an independent study regarding BMLD employees, salaries, succession planning, and departmental workflow. Mr. Brown and Mr. Richardson will update Mr. Firenze on this issue.

MLAB Meeting, September 6, 2007 – Other

A discussion was held by the board regarding governance of the MLB. The next meeting for the MLAB is scheduled for 10/15/07. Mr. Richardson is to have a preliminary rate design to present.

Mr. Richardson was asked to schedule a meeting with the Light Board to discuss rates, governance and a renewable energy policy.

Government Structure Review Recommends Independent Light Board

Government Structure Review Committee, March 25, 2009 – Final Recommendations

Eliminate the current practice where the Board of Selectmen serves as the Belmont Light Board.

Instead, have the Board of Selectmen appoint a five-person Board. The Board of Selectmen and the Municipal Light Board should commit to a memorandum of understanding which outlines the role and responsibilities of the Light Board

Mass. Department of Revenue/Division of Local Services/Technical Assistance Section

Financial Management Review – August 2011

In 2008, a government structure review committee was formed and issued a series of recommendations in March 2009. Through special acts, three recommendations were enacted: the police chief was granted the same appointing authority as the fire chief has (c. 376 of the Acts of 2010); a recall process for elected officials was established (c. 381 of the Acts of 2010); and the selectmen were permitted to license the sale of alcoholic beverages in town (c. 388 of the Acts of 2010). A recommendation to consolidate town and school building facilities maintenance was approved by town meeting in 2010 and is now being implemented. Rejected was a proposal to reduce the number of representative town meeting members and other steps were taken in lieu of consolidating the school and town human resources offices. Further proposals to strengthen the town administrator's position, expand the board of selectmen to five members, and create a light board other than the selectmen have not been acted on.

MLAB-Government Structure Review Committee Joint Meeting, March 25, 2012 – Governance of the Belmont Municipal Light Department:

Mr. Solomon started by congratulating the Belmont Light Department on the approval of the substation project. It was stated that the aim is to have a group of individuals that have a background in electric field instead of having just the Board of Selectmen. It was presented that a group be selected by the Board of Selectmen, called a Governing Board. Mr. Jones stated that during the 115kV process there was a very important role that the Selectmen had to play, which is part of the job as an elected official. However, he stated that the Board does not need to get into the day to day functions of the Light Department. Those duties remain solely with the General Manager. Rebecca Vose asked Mr. Jones if a member of the Board of Selectmen has to serve on that board. Mr. Jones responded that he does not feel that a Selectman has to serve on the board. He stated that the light's stay on in town due to the men and woman who work at the Light Department. Mr. Jones agrees that they should not change the governance and to stay with the Light Board and redefine the roles. Mr. Selgrade stated that there are three options on the table.

- 1) Board of Selectmen (currently in place).
- 2) Elected Light Board members (elected every year).
- 3) Create an Appointed Board (which would have to be a drafted legislation).

Mr. Forrester stated the approval process of the 115kV project would never have been such a huge success without the support of the Board of Selectmen and Mr. Jones. During the meeting with the Warrant Committee many issues and questions came up. The funding of pensions and post retirement health benefits was a concern. Another issue is the manager's role reporting to two boards, which can be confusing at times. Mr. Jones stated that in Massachusetts only seven municipalities are governed by Selectmen, thirty three are majority elected. Nationally, 41% are independently appointed. Mr. McLaughlin stated that he doesn't want to see an elected board or appointed board, and should just stay with the Selectmen.

Since there was a shift in opinion with the Structure Committee and the Light Board in regards to the Governance, Solomon suggested having a document drawn up outlining the status quo and stating enhanced duties of the Light Board. Mr. Brown stated that he will work with Ed Selgrade on a proposal and it will be presented at the next meeting.

MLAB Meeting, April 9, 2012 – Light Department Governance

It was discussed that there is a concern in regards to the governance of the Light Department and whether or not to have an independent Board with the General Manager of the Light Department. It was stated that there are too many Boards to begin with which causes the General Manager to have to report to all. Jim Palmer stated that he would prefer an independent Board and would like to see it changed. It was agreed that a drafted document will be created for an appointed board and they will meet again with an agenda regarding the governance. The meeting then went into executive session.

MLAB Meeting, July 23, 2012 – Governance Structure

Selgrade presented his report addressing the issues of the governance structure and where the duties should fall. He stated that a new Light Board member can be appointed every year and the selection would be done by the Selectmen. Given the process of getting expertise on board, it would then relieve some of those duties. Such a special legislation would have to be drafted and approved (if removing the Selectmen from the Light Board the legislation has to be re-written and the Selectmen need to approve it, which will go to Town Meeting.) Brown stated that there should be between 5-7 members. It was agreed that legislation will be drafted and sent to Paul Solomon, Government Structure Review Committee Chair.

Tucker, Franklin (2012) "'Strong' Town Administrator Proposed, Belmont Patch, September 25.

Available at: <https://patch.com/massachusetts/belmont/changes-to-roles-of-town-administrator-selectmen-proposed>

Finally, the committee is seeking to take power away from the existing Belmont Light Board, made up by the three Selectmen, and set up a board that have members with utility management and operations experience.

"The entire subject of electrical generation is so arcane that you need people who understand it to make knowledgeable decisions. The Selectmen just don't have the expertise that we need," said (Government Structure Review Committee Chair Paul) Solomon.

MLAB Meeting, October 10, 2012 – Governance Structure

It was discussed whether or not a change in governance of the BMLD could be approved solely by the Board of Selectmen or if a Town Meeting vote was required. The Belmont Municipal Light Advisory Board will be revising the legislative language to include the Town Meeting vote in the change in governance process. MLAB suggested having a seven member Light Board to avoid the elimination of an existing board member.

MLAB Meeting, November 15, 2012 – BMLD Governance Structure

The Belmont Municipal Light Advisory Board Governance recommendation is that the Board of Selectmen would appoint members of the Belmont Light Board. McLaughlin recommended bringing the governance issue to Town Meeting. The Board of Selectmen will take the lead on presenting the governance recommendations to the Warrant Committee.

MLAB Meeting, December 2012 – BMLD Governance Structure

Selgrade presented to the Board two versions of revised BMLD governance recommendations for Selectmen to present at town meeting. One version recommended a five-member board and the other a seven-member board.

Dissolution of MLAB/Creation of LBAC

MLAB Meeting, June 23, 2015 – Discussion on the Future of MLAB

Brown questioned whether there was a role for MLAB anymore. Though he believes that there should be given the expertise of the group, it seemed to him that at least two of the selectmen do not want to heed MLAB's advice. Furthermore, they do not seem interested in discussing anything other than net metering when there are many other important topics that need to be addressed.

The Board next discussed the history of MLAB. Jones had recently spoken to current State Senator Will Brownsberger (not present), who had told Jones that that when he was a Belmont selectman, he was not able to devote enough time and attention to important light department matters. MLAB was thus created to provide advice. Jones and Klionsky discussed that if the Light Board still feels that they need advice from people with industry expertise to advise on utility-related issues, then MLAB should be kept intact.

Regarding the current governance structure, Forrester stated that in his opinion, Belmont Light does not need three boards. He wondered how the new NMWAG would interact with the Light Board and the Advisory Board. He and Palmer also raised the issue of an elected light commission, which a government structure review committee had proposed several years ago. Jones and Forrester were very concerned about this model in Belmont because of the likelihood that elected members would become single-issue candidates. The Board and Palmer further discussed the history, future, and importance of MLAB.

Resident Mark Davis offered a suggestion for MLAB's future. He noted that while the Light Board was interested in hearing from new people on the solar issue, it didn't seem like they intended to eliminate MLAB. He suggested that MLAB help achieve the goals of the Belmont Climate Action Plan to reduce carbon emissions in Belmont. Brown noted the future of that discussion looks dismal given that the key Belmont Light staff person who would coordinate such an effort had recently left. Jones agreed with Davis's suggestion and said that the Energy Committee's work on the Climate Action Plan is important, but that MLAB has had trouble getting the Light Board to focus on anything other than net metering. To Jones and Brown, this myopic focus is a detriment to the town. Brown added that in order to achieve meaningful emissions reductions in Belmont, there needs to be a multi-functional plan. Focusing just on rooftop solar is not going to be effective.

Davis asked about targets for emission reductions. Jones replied that aggressive reduction goals, as well as energy conservation and large-scale solar, are part of the planned efforts that the Light Board has not paid much attention to and that MLAB and Belmont Light have been unable to get any traction on because of the net metering issue.

MLAB Meeting, June 23, 2015 – Discussion by Chair & Vice Chair

Forrester stated that he was pleased that Ashley and he are leaving Belmont Light in good shape because of the efforts of department staff, MLAB, and the Light Board. The ratepayers give the department high marks and the brand is sound. Belmont Light's safety and reliability record is excellent. The financial position is much improved, the substation project is moving toward completion, and the

department has a strong staff. Belmont Light has come a long way since citizens were advocating for the sale of the department. Still, Forrester sees much to be done, as the government structure is top-heavy and should be changed. The general manager does not have the full support of the Light Board and this undermines the stability of the department. It hampers relations with the town and creates an unnecessary risk regarding the substation project. He encouraged the Light Board to take action on the annual review recommendations that MLAB completed months prior. Regarding not being reappointed, Forrester feels that he wound up on the wrong side of divisive and petty politics related to the solar tariff. However, to Forrester, if you take a committee position, you also take political risks, so he has no cause for complaint. He added that MLAB has been a good use of the members' collective time over the past 10 years, but much less so lately.

Brown said that working with other members of MLAB for 10 years has been an enriching experience. The other members of MLAB devoted a lot of time and intelligence to MLAB and they have operated as a coherent and remarkably effective group. The last few months have been less than pleasurable for Brown because of single-issue politics and the inability to address larger issues. Brown completely disagrees with the removal of Forrester from the board, given what an asset he is and his expertise in the Belmont Light's finances.

Brown believes that the overall governing structure for Belmont Light is dysfunctional. He noted the purpose of MLAB was to bring in expertise because the electricity industry is incredibly complex. The department needs to be run on professional basis, as Palmer does well, but the oversight of MLAB needs to be professional too. Despite the fact that over 91% of Belmont Light's customers are satisfied and the department is in excellent shape financially, political issues related to some solar customers have caused chaos. According to Brown, a tiny fraction of solar customers have held other customers hostage over their desire to be continually subsidized. Some of these people have launched ad hominem attacks, pushed the agenda of special interests, bullied public officials, made ethically dubious political donations, intentionally distributed misinformation, and—in one case—physically attacked a member of MLAB. Brown wanted to make clear that this latter incident was perpetrated by just one person.

Brown next questioned the efficacy, fairness, and need for solar subsidies. He explained that non-solar customers are currently paying costs that they should not have to. MLAB has had a difficult time protecting the other ratepayers in town because of single-issue politics. Brown also described what he saw as unconscionable behavior by a member of the Light Board that resulted in a staff person leaving Belmont Light. This particular issue, coupled with others that happened recently, led Brown to the conclusion that he was no longer interested in serving the town. He is saddened that petty politics play such a role in the town now, but hopeful that the Light Board will listen to the expertise of NMWAG. To Brown, catering to politics is not tolerable or sustainable in running a municipal light department. Brown believes that if things keep going in that direction, Belmont Light won't survive, even with its capable management.

Resident Claus Becker said that despite having different viewpoints than some MLAB members, he and other residents who have been vocal on the solar issue appreciate all the time and effort MLAB members have contributed. Klionsky agreed that the town owes Brown and Forrester thank you for the sacrifice and time spent toward these issues. Palmer added that he enjoyed working with Brown and Forrester and will miss their support. He hopes the political environment will change, as he has worked very hard to help build Belmont Light up. He knows that morale amongst staff is low and uncertainty is

not good. Brown responded that working with Palmer has been a pleasure and that Palmer is doing a phenomenal job.

MLB Meeting, August 28, 2015 – General Manager Performance Review

Palmer responded that as general manager, it can be difficult to navigate Belmont Light's confusing governance structure. Reporting to two separate boards without clarity on which is the ultimate governing body can be frustrating. In fact, the two previous general managers were not successful under the current structure. From a general manager's perspective, it would be helpful to have less confusion and more guidelines when it comes to interacting with the Light Board and MLAB. Baghdady concurred with Palmer's point that there needs to be more clarification in the governance structure. The Board then discussed this topic in more detail.

Joint MLB-MLAB Meeting, October 30, 2015 – Charge & Purpose of MLAB

Baghdady stated that he and his colleagues disagreed with statements made by former MLAB Chair Ashley Brown (not present) at a June 2015 Municipal Light Advisory Board (MLAB) about MLAB potentially needing to be dissolved. Baghdady said, and Williams, Paolillo, and McVay concurred, that the Light Board needs a committee of experts to provide valuable insight and advice to the Light Board. However, Baghdady explained that the current governance is not fair for Belmont Light because it is not clear who the General Manager reports to. MLAB's roles needed to be redefined to help ensure clarity.

Baghdady offered some proposals for reconfiguring MLAB. The first would be to change MLAB's name to *Light Board Advisory Committee* (LBAC). The second would be to clarify the committee's purpose, which is to advise and guide the Light Board on high-level policy issues like demand-side management. It needs to be clear that supervision of the Belmont Light's day-to-day operations is the Light Board's duty.

Baghdady also offered that LBAC could be a five-person committee because more than five members can get unwieldy when it comes to decision-making and discussion.

Paolillo liked the clarity achieved by the proposed name change, but did not want to make any changes that might diminish the expertise and duties of the committee. He and Williams added that they preferred the structure of seven-person committees. The Board, Palmer, McVay and Jones further discussed what committee size would be best for LBAC.

Palmer noted that a committee that reports directly to the Light Board can help create a solid governance structure. He corroborated Baghdady's earlier point that dealing with managers under the current structure was, at times, difficult.

Residents Phil Thayer and Tony Alcorn commented that LBAC's membership and charge should clearly reflect the community's interest in and concern with renewable energy and carbon emissions. The Board and Palmer discussed this matter and considered how to include these topics in LBAC's charge and member requirements.

Baghdady read aloud potential language for LBAC's charge (attached, as updated and approved on October 30, 2015). The proposed charge included that the committee would consist of five voting

members and 2 non-voting, associate members and specific references to sustainability and renewable energy.

Williams moved to approve the charge and composition guidelines for the Light Board Advisory Committee. Paolillo seconded and the motion was approved with a vote of all in favor (3-0).

Light Board Advisory Committee Charge. Approved October 30, 2015

Purpose: To advise the Municipal Light Board (MLB) on fair and equitable demand-side management (DSM) policies, plans, and programs that are consistent with customer needs, legal mandates, public policy, operational requirements, and the long-term financial stability and viability of the electric utility. The LBAC shall provide other advisory duties as requested by the Municipal Light Board.

Composition: The committee shall be comprised of five (5) voting members and two (2) non-voting, associate members, appointed by the Municipal Light Board, including persons with expertise in at least some of the following areas: legal and regulatory matters related to electric utilities, electric power engineering, finance, accounting, economics, sustainability, and renewable energy. The members will be appointed for staggered three (3)-year terms.

MLB Meeting, February 1, 2016 – Discussion on LBAC Projects:

The group discussed that since LBAC's charge changed, the committee has met less regularly because they were waiting for instructions from MLB. Palmer said that these suggested projects bring LBAC back to the types of topics MLAB used to work on. He suggested that this might signify that there is a need for a board-appointed Light Commission. Paolillo said that this was investigated in the past by the Government Review Structure Committee and Baghdady added that the topic warrants further exploration. Baghdady also spoke about the importance of having experts in the field available to advise MLB. Williams pointed out that it is helpful to have selectmen responsible for policy decisions since they are accountable to the residents. The group discussed this topic further.

MLB Meeting, October 24, 2016 – Review of LBAC Appointment Applications

Paolillo asked LBAC applicant, Travis Franck, to give an overview of his applications and qualifications. Franck said he has been a resident of Belmont since 2010. He has been interested in energy and climate issues and has been working in the field for about fifteen years. He earned a Master's Degree in Energy Economic Modelling and PhD in Climate Change Impacts, both at M.I.T. and works for a nonprofit doing climate and energy modelling.

Baghdady said that Franck is high on the list of applicants for the Energy Committee as well and asked which of the two Franck would choose. Franck said that he is interested in helping Belmont Light and the Town envision how to better use the municipal utility but has also been involved with the Energy Committee. Paolillo said he didn't see a reason that Franck could not serve on both. Williams said that, in terms of having a direct impact, LBAC would be a better fit.

Palmer suggested that Franck could serve as the liaison between Belmont Light and the Energy Committee. Franck and the Board all agreed that would work.

Paolillo stated that his three selections for new LBAC members were Franck, Robert Forrester (not present), and Roy Epstein (not present). He said that Forrester had previously served admirably on the former Municipal Light Advisory Board (MLAB), added a lot of value in terms of his accounting background, and has been assisting Belmont Light since his departure from LBAC. Paolillo also commented that he liked Franck's application and praised Epstein's work on the Net Metering Working Group. He said his fourth appointment would be Stephen Pinkerton, who also applied for the Planning Board. He stated that while he didn't know David Schlissel, Glenn Wong or Sarah Jackson, he praised their resumes and said he was sure they are all fine individuals.

The Board reviewed the makeup of LBAC. Leary confirmed that there are currently three members of LBAC and that it is made up of five full voting members and two non-voting associate members. Williams recalled that the Board had discussed expanding the number of full members. Paolillo and Baghdady both agreed that removing the associate status was acceptable to them.

Williams stated that Forrester is now part of the Permanent Audit Committee and Epstein chairs the Warrant Committee. He then put forth Schlissel and Jackson as candidates based on their resumes. Paolillo agreed that Jackson was a good candidate.

Baghdady said that Forrester's technical and accounting expertise would be needed and that Forrester is very familiar with the operations, having served on MLAB. He said that Epstein has proven himself with the solar energy debate. He said that he had a conversation with Epstein and had asked if Epstein wanted to serve in both capacities and that Epstein said he would love to. Baghdady praised Franck and reiterated the importance of having a liaison between the Energy Committee and LBAC. He said he is happy to elect either Jackson or Pinkerton as the final member. Paolillo asked if Pinkerton had been nominated to any other board. Baghdady replied that there had been discussions to select Pinkerton to certain Planning Board working groups as they arise. He said that all of the candidates had impressive applications.

Williams moved to change the charge of the Light Board Advisory Committee to seven full voting members. Baghdady seconded the motion and the motion was approved with a vote of all in favor (3-0).

Paolillo said that LBAC is advisory in nature and that going forward, the Board will ask LBAC to do different evaluations, including economic modelling, a cost-of-service study and other research.

Light Board Advisory Committee Charge, Updated October 24, 2016

Purpose: To advise the Municipal Light Board (MLB) on fair and equitable demand-side management (DSM) policies, plans, and programs that are consistent with customer needs, legal mandates, public policy, operational requirements, and the long-term financial stability and viability of the electric utility. The LBAC shall provide other advisory duties as requested by the Municipal Light Board.

Composition: The committee shall be comprised of seven (7) voting members appointed by the Municipal Light Board, including persons with expertise in at least some of the following areas: legal and regulatory matters related to electric utilities, electric power engineering, finance, accounting,

economics, sustainability, and renewable energy. The members will be appointed for staggered three (3)-year terms.

MLB Meeting, March 27, 2017 – Belmont Light Governance Discussion:

Williams said he spoke to Paul Solomon (not present), formerly of the Government Structure Review Committee. Williams said that the Board is overwhelmed with data and things to do. He said that having a different board manage BMLD would give the Board more time to do other things. Williams had submitted a citizen's petition to move the Board of Selectmen from three to five members but the petition was written in a way that a discussion could be had beforehand. He said that now that the Substation and Transmission Line Project was complete, it would be good for the Town and good for the Board of Selectmen to delegate oversight of BMLD to another body.

Paolillo said he was generally in agreement with Williams and that the proposal had been seriously considered when he had first joined the Board. He said it stalled because of the Project and a change in the General Manager. Paolillo said the idea before was to take the then-current Municipal Light Advisory Board (MLAB) and make them an appointed board. He said that he fully supports the idea of an appointed MLB. He pointed to a document (see below) which showed that 29 of the 40 municipal light plants (MLPs) in Massachusetts have an elected Light Board, 7 have appointed Light Boards, and 3, including Belmont, have the Board of Selectmen act as the Light Board. He said having the LBAC act as an appointed Light Board has the advantage of having experts looking into matters.

Williams said he would work with Town Counsel in a quick manner in order to get the petition in front of Town Meeting for discussion. Paolillo said that timeframe was too quick and that there were a number of issues to discuss beforehand.

Baghdady said that when he was first elected three years prior, the MLB was meeting about three times per year and that one thing he tried to do was get them to meet more often. He said he also tried to get the MLAB to be more of an advisory board. Baghdady fully supported the idea that an independent body of experts is needed to work with Palmer. He did not agree with the way that the proposal was written, stating that it gave the appointed board a certain range of immunity by statute. He said that the same issue arose during the net metering debate with MLAB. Paolillo asked if Baghdady supported an elected Light Board. Baghdady said that he was. Paolillo stated that candidates for an elected board would have to run a campaign and the Town might not get the level of expertise needed.

From the audience, Epstein said LBAC had discussed this topic at their last meeting. The consensus at the LBAC meeting was that it would be hard to go about this change by Spring Town Meeting. LBAC had discussed meeting with Light Boards from other towns to see what their experiences were. Epstein said a third option for the Light Board could be a home rule configuration that could be a "hybrid" board. He suggested getting more input from residents and bringing the topic to Fall Town Meeting.

Williams said he's not advocating not doing a good job, but the timing could be right for the Spring Town Meeting. He asked Palmer whether he favored a separate Light Board. Palmer said that it's in the best interest of the Town of Belmont. Paolillo said that this was something that would need to be studied and discussed.

Epstein said that this the topic was something that could go on the Fall Town Meeting warrant, although that decision did not have to be made right away.

LBAC Meeting, May 30, 2017 – Update on BL Governance

- LBAC recognizes that BL's GM has flagged 'governance' as an important topic for LBAC to consider and offer guidance on. LBAC will continue to peer Municipal Light Departments to learn about their governance structure(s).
- The LBAC Chair will reach out to Concord MLP to arrange a visit.

LBAC Meeting, June 26, 2017 – BL GM's Contract Renewal

- Mr. Palmer expressed again that an enhanced structure is needed for him to properly function. He recounted that MLAB was supposed to be a new Light Board but was then dissolved, and he stated that he has felt alone and without guidance for the last 18 months since MLAB was dissolved.
- Mr. Palmer expressed frustration with the Light Board and their lack of interest in Belmont Light, his limited time with them, and their inability to provide valuable oversight.
- Mr. Franck recounted the Oct. 2016 and Dec. 2016 Light Board meetings where, with Mr. Palmer present, it was discussed by the LB that LBAC should work with Belmont Light and vice versa. Mr. Palmer stated that those meetings were not clear directives and that they did not provide the guidance that permitted him to work directly with LBAC. LBAC was said to be only set up to advise the Light Board.
- After Mr. Palmer suggested that LBAC was not chartered to work in a similar manner as MLAB, and did not have a sufficient charge, Mr. Klionsky asked if it would be enough for the LBAC charge to be changed to the MLAB charge — would that be good to allow cooperation? Mr. Palmer said no (but no reason given).
- When LBAC members expressed the desire to work with Mr. Palmer, Mr. Palmer said that he could send material that would support his position. Mr. Klionsky said he'd like that material to better understand Palmer's position.
- Mr. Palmer and several LBAC members agreed that a new governance structure should be a priority. The group sentiment was that a new Light Board governance structure would take many months (maybe years) as it worked its way through the Belmont public process.
- When asked, "What do we do in the meantime?" (paraphrase), Mr. Palmer didn't provide an interim solution.

MLB Meeting, July 17, 2017 – General Manager Performance Review

Palmer thanked the Board for their consideration on the performance review. He then read a prepared statement. He pointed to two solutions he thought would resolve the numerous issues: first, he suggested separating the Light Board from the Board of Selectmen; second, he stated that he was willing to reach out to town officials and others to rebuild relationships.

Paolillo stated that he appreciated Palmer's comments and that he did not disagree on governance issue. He said the issue was complicated and that some of the problems were the result of the MLAB dissolution and some were Palmer. Paolillo said he fully supports considering an appointed Light Board and that governance needs to be clarified. He said the confusion came about when MLAB was governing Belmont Light and MLB was on the side.

Palmer reviewed his tenure and what he saw as the breakdown of MLAB. He said when he took over in 2010, Belmont Light was in complete turmoil. Palmer stepped in and met with people from various boards, built trust with MLAB and with town officials and had to build relationships outside of town as well. He said that he followed the reporting guidelines set out for him with the understanding that a government structure study was going on regarding the governance of Belmont Light for 2013. Palmer stated that the study was stopped because there were concerns related to the Board of Selectmen being answerable for the bonded funds for the substation and transmission project.

Paolillo agreed that there was confusion related to MLAB and the governance structure but that since then, Palmer has strained relationships with many other departments in town. Paolillo said there were concerns that arose when the Board was executing closing documents with Eversource for the substation and transmission line project. Palmer disagreed that he does not get along with other departments. Paolillo said that the Board is aware that Palmer has authority over Belmont Light under M.G.L. Chapter 164 but that there was no reason for Palmer not to collaborate with the Town. Palmer pointed to the new enterprise resource planning (ERP) system and electric vehicle program as examples of his collaboration.

Recent Discussions

MLB Meeting, September 11, 2017 – Collins Center Proposal Discussion

Dash stated that there was discussion before on whether to have the Collins Center from UMASS Boston perform a governance analysis and provide advice on how to run the MLB. The Board sent out the proposal and received a proposal back.

Dash said there had been a lot of change with Belmont Light and the MLB and he was not looking to create any new chaos or change until things settle out. He added that he was not sure whether the problem had been the governance or the people involved, so it might take some time to let things play out before making any change. Dash said another proposal would be to keep the current membership of the MLB the same, but add the Chair of the Light Board Advisory Committee (LBAC) and the Chair of the Energy Committee as Members. He said this way, there would still be an elected majority with the expanded expertise from the two other boards.

Paolillo said he liked the idea but would have to give it more thought. He said he's always felt that the MLB does not have the expertise or time to deal with the day-to-day operations of Belmont Light. Paolillo is in favor of an appointed MLB. He said across Massachusetts Municipal Light Plants (MLPs), only four out of forty have the Board of Selectmen act as the Light Board. Dash said that it would be a good idea to retain the elected control so that there is public accountability. He said this would remove politics from the Board while still keeping the public in control.

Williams said he strongly favored having the Collins Center come in because the cost was only \$18,000. He said over the past seven years, there have been a number of changes with regard to LBAC, the

General Managership, and the Board of Selectmen. He said Dash's idea may be a good idea but he would rather hear from a group that can survey the marketplace and see how things are being done elsewhere. He said there are a number of challenges going forward and he is concerned about the Board of Selectmen overseeing both Belmont Light and the Town.

Paolillo said that there was still the need to do a search for the permanent General Manager and the Board had agreed on hiring the Collins Center to do that search. He wondered whether a component of that search could be to provide some thoughts on governance. Dash said that Interim Town Administrator Phyllis Marshall (not present) had reached out to other MLPs to see what those municipalities used for similar searches. Dash said that the Collins Center has also not performed a search for an MLP General Manager before, so they may not have contacts in the industry who they could call on to apply for the position.

Paolillo said that the Board already had the information that the Collins Center would gather. Dash agreed and asked what the Collins Center would be doing that the Board couldn't do. Paolillo said this would also require a bylaw change. Williams said if the Board moved to an appointed Board, it would but according to Town Counsel, an elected Board would not. Paolillo said it would be an expansion of the bylaw to reflect the new Members. He said that he would only go to an appointed MLB, not an elected one. Williams said that this discussion is why the Board needs someone like the Collins Center to advise them.

Paolillo asked if the Board could defer a decision until the next meeting. Dash said he hadn't planned to vote yet but wanted to open discussion. He said it would be necessary to determine whether to work on the governance first or the General Manager search first. Williams said that the governance should be in place before bringing in a General Manager. Dash said that the new General Manager could help with the governance issue.

Klionsky stated that the Board of Selectmen is spread thin by also acting as the MLB. He said that the fact that only four of forty municipalities have the Selectmen act as the Light Board suggests that another model is preferable.

MLB Meeting, October 16, 2017 – Discussion on Governance; MLB Configuration

At the previous MLB meeting, Dash had proposed the idea of adding the Chairs of the LBAC and the Energy Committee to the MLB. Dash said that while the MLB appoints the members of LBAC and the Energy Committee, it does not choose the Chairs for the respective committees, so there is separation. Williams said that it was a lot of power to give to someone who was appointed, not elected. Dash said that his initial suggestion was that this idea should be explored only if the MLB was going to make a change to its configuration.

Williams said that there had been problems for the MLB in the past seven years. He said Dash's idea might be the best idea, but a third party should confirm that. He said that there is evidence that Belmont is in the minority in terms of Light Board configuration.

Paolillo agreed that there had been problems for the MLB in the past few years with the leadership of BMLD, as well as the net metering issue. He stated that he was in favor of an appointed MLB. He asked what the Collins Center study would do. Williams said the Collins Center study would be a stamp of

approval. He said in the last ten years, there have been four General Managers of BMLD, which said to Williams that there was a problem. He said the Town of Belmont is a \$24 million business and the proposal is only \$18,000. Dash said that it would be more than \$18,000 because an additional task (#6) in the proposal was the actual action item in the proposal.

Dash said that the Collins Center has no experience dealing with municipal light departments. He said also that there had been turmoil recently, with a new MLB Chair and a new Acting General Manager of BMLD. He did not want to add to that and get in the way of the General Manager search process. Williams said that the benefits greatly outweighed the costs. He said that none of the Members had the time to do such a search. Dash said that he did not want the governance study to tie up the General Manager search and that the study could be performed at a later point.

Paolillo said that he was not in favor of the MFP proposal. He said that he would like to do a General Manager search first. He also said that he is in favor of Dash's proposal of adding the Chair of the LBAC and Energy Committee to the MLB. Dash said that things had gone smoother since Spinale took over and it would be a good idea to see if the problem had been the governance structure or the personnel. Williams said that the Board owed it to the community to have a third party determine what the right configuration would be.

The Board discussed whether a home rule petition would be necessary for the MLB change or whether the change would be done through a change to the bylaws.

Williams said that he would file this discussion in his "I told you so" folder. He said that other items in that folder were the restructured pension, a committee to look at the size of the Board of Selectmen, and actuaries are currently looking at the OPEB issue. Paolillo said that the Board was not in disagreement that the governance issue needed to be revisited, just that it needed to be tabled. Dash added that the answer was not "no" forever.

LBAC Meeting, June 14, 2018 – Discussion of Future Planning Meeting With the LB

- Topic: What is LBAC's role given the current arrangement of Light Board and Belmont Light?
- AD: The LB will be selecting the dates for the Light Board meetings for the rest of year.
- AD: Would like a joint meeting between LB and LBAC to discuss with LBACs role with future purposes. How best to organize LBAC to work with the LB and BL.
- BF: Suggest reviewing a list of LBAC topics that were generated for the Light Board's December 2016 meeting.
- SK: Should LBAC be reviewing the Budget since LB also reviews the budget? Franck thought it was useful for expert opinion to weigh-in and also so LBAC members have a sense of the budget when discussing other issues.

MLB-LBAC Joint Meeting, August 27, 2018 - 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.

MLB-LBAC Joint Meeting, September 17, 2018 – Discussion on LBAC Charge

Dash said there had been discussion on making the LBAC charge clearer and defining the purviews of the Energy Committee, LBAC, and the Light Board. Klionsky said he had redrafted the charge and presented it to LBAC at its meeting on September 13, 2018. He said he wanted to make it clear that LBAC can provide advice not only to the Light Board, but to Belmont Light as well. He said the charge now listed the areas where LBAC could help and noted that everything will be done in coordination with the Light Board, which has the ultimate authority over Belmont Light. LBAC had reviewed the charge and a few tweaks were made.

Dash asked Roy if there were any omissions from the new version of the charge. Roy said that the new charge covered everything that had been discussed. He said that he and LBAC had also looked at moving the monthly LBAC meetings up one week so that discussion at the LBAC meetings can inform the Light Board agenda. Roy also raised the question of how to incorporate discussions and feedback that span multiple meetings. The Board agreed with the idea of moving up the LBAC meetings.

Light Board Advisory Committee Charge, Updated September 17, 2018

Purpose: The Light Board Advisory Committee (LBAC) shall advise and support the Municipal Light Board (MLB) and Belmont Light (BL) on issues and opportunities pertaining to BL, including, without limitation, strategic planning, operational programs, rate setting, purchase power arrangements, climate action goals, demand response, public policy, and financial planning and viability. The LBAC will provide this advice and support in coordination with the MLB, the entity with statutory authority over BL.

Composition: The LBAC shall be comprised of seven voting members appointed by the MLB, including persons with expertise in at least some of the following areas: Legal and regulatory matters related to electric utilities, electric power engineering, finance, accounting, economics, sustainability, and renewable energy. The members will be appointed to staggered three-year terms.

MLB Meeting, February 25, 2019 – General Manager’s Review

Paolillo highlighted the need to make Belmont Light more visible in the community, citing a survey showing that less than half the Town knew Belmont has a Light Board. M. Paolillo thought that governance was a key issue that should be addressed as part of future goals; T. Caputo agreed, stating that it would be addressed as part of the strategic planning process.

LBAC Meeting, March 6, 2019 – Discussion on Belmont Light Governance

- The issue had been raised at Roy’s performance review at a recent Light Board meeting, of whether the governance structure of the Light Board should be changed, and if so what the ideal governance model should be.
- Klionsky said it was unusual having the Board of Selectmen also constitute the Light Board. He also expressed frustration that the Light Board did not have sufficient time to address all of the necessary Belmont Light matters.
- Dash had put forth a suggestion where the existing Light Board add two appointed members. This would maintain an elected majority, but the Chair could be someone from outside the Board of Selectmen, and the appointed members would have expertise in energy matters, municipal light plants, etc. Klionsky noted such a change would require act of legislation.
- Forrester relayed that Jones had mentioned a possible crown corporation type model, entailing a separation of the business aspects from the policy agenda.
- The matter was left open for future discussion. It was noted that the Light Board may need to convene more frequently than once a month.