Corrected - Accepted
3/11/24

MEETING of the MONTEREY BOARD of LIBRARY TRUSTEES
Held at the Monterey Library and via Zoom
February 12, 2024

PRESENT: Mickey Jervas, Rebecca Wolin and Cheryl Zellman
Via Zoom: Judy Kaminstein and Nancy Kleban
Absent: Sam Reggio
Director: Mark Makuc
Guests: Rob Hoogs, Historical Society

Meeting was called to order 7:05pm.

HISTORICAL SOCIETY: A new historical wall display has been hung in The 1931 Room.

On Thursday, February 15th from 7 to 8:30pm the Historical Society will discuss the future the Church building on the corner of Main and Tyringham Roads. The public is invited and it's hoped that some ideas and interest will be raised.

The Otis Preservation Trust will be joining with Monterey's Society for the March meeting. Gail Gelbard, an Otis resident and writer who has written about Sue Moody White a journalist in Paris during the WWII German Occupation, will be guest speaker.

Rob hopes they will have more collaborating talks in the future with Otis and other local towns.

Rob is working on the Request For Determination for the Conservation Commission to see if they will require any other filings for the Historical Mills path. He hopes to present it at their March meeting.

FRIENDS: Mark informed the Trustees that they are working on their Gift Policy.

The Trustees thanked them for the Christmas and Valentine's day holiday decorations.

MINUTES: The minutes of January 8, 2024 were accepted by motion made by Rebecca and seconded by Cheryl. The vote to accept was unanimous.

DIRECTOR'S REPORT: John Sellew finished painting the east and south walls of The 1931 Room. They have been showing a lot of wear from the various art shows. John feels that the fireplace wall also needs to be redone and will do it another time between shows.

Mark, the staff and volunteers have been working on weeding the Children's picture books.

Janet Jensen, Chair of the Brookbend Condominium Trust, sent a letter in response to their tour of the Library/Brookbend property lines listing the corrections they intend to make. The Trustees reviewed these and will send her their response.

There will be a meeting this weekend to review the digitalized Monterey Camp Films and Oral History.

The staff and Mark are learning how to operate the new on-line Aspen catalog for CWMARS. Mark is planning a write-up for the Monterey News. He and the staff will also be holding on-site training sessions.

Mark was asked by the Town Administrator if the Library could cut their budget. He and Mickey discussed various line items and decided our budget had been carefully constructed and that there was no fat to be cut. He reported this back to the Administrator.

STRATEGIC PLANNING COMMITTEE: The Committee met to choose the goals they wish to concentrate on and wrote a rough draft of the plan. They hope to finalize it at their next meeting and will send it to the Kristy at MLS for approval.

They will be discussing an update to the Library Mission Statement and will formulate a Vision Statement.

POLICY SUB-COMMITTEE: None

CHAIR: Mickey announced that the Library will appear on the Town Warrant in a two line format, Wages and General, as requested.

After fielding some questions about Library income, Mickey drew a up an information sheet, Monterey Library: Sources of Income, which was handed out to each Trustee. This form will also be given to new Trustees, along with Trustees Duties and By-Laws, upon their election to the Board.

OLD BUSINESS: None

UNANTICIPATED BUSINESS: Town Caucuses will be held in March. Both Cheryl and Nancy are up for election and want to run again. They will inform both caucuses of their intents.

The meeting was adjourned at 8:24pm by motion made by Cheryl and seconded Rebecca.

NEXT MEETING: Monday, March 11, 2024, 7pm
In person and on Zoom

Agenda:
- Minutes
- Friends report
- Historical Society report
- Director's report
- Budget
- Chair's report
- Sub-committees
- Old Business
- Unanticipated Business

Submitted by: Mickey Jervas

FY25 - Library Budget - Requested for Electricity [5210]

As Nexamp does not have a defined cost basis, and because will cannot be assured of the stability of Nexamp, we used cost of electricity as billed by National Grid for our FY25 request.

We arrived at this as follows:
Usage has been fairly stable, although with increased usage times this will increase somewhat. From 5/9/22 - 3/6/24 [22 month period] our average monthly usage was 1,944 kwh/month, 23,328 kwh for a 12 month period.

There has been an increase in the cost of Electric supply service in the amount of 0.051/kwh. Which converts to $1,189.92 for a 12 month period.

FY23 total cost of electricity as billed by National Grid	- $5,126.88
Plus the supply increase	- 1,189.92
	$6,316.80
Luckily, the Library requested $6,500. - Because: National Grid is requesting a 3.7% increase for their delivery charges, which will add, for the period of 10/1/24-6/30/25 - if DPU accepts.	175.27
Which will bring our National Grid estimated cost to:	$6,492.07

Submitted by Mickey Jervas
March 20, 2024

nationalgrid

Important Information about National Grid's Rates

On November 16, 2023, National Grid submitted a proposal to the Department of Public Utilities (DPU) to update the Company's electric rates. The proposal requests a net increase in annual distribution revenue of approximately $131.6 million effective October 1, 2024. The proposal also seeks approval to make additional annual adjustments each year effective October 1 over the term of the five-year rate plan to increase rates to recover needed incremental investments to support core reliability as well as advance investments to support the clean energy transition. If approved by the DPU, a typical residential customer receiving basic service using 600 kWh per month would experience an increase of $7.86, or 3.7%, per month starting October 1, 2024, with further increases averaging 1.8% per year for the remaining four years of the rate plan term (an average increase of 2.2% per year over the five years). Under the terms of the Company's proposal if additional investments as presented in the Company's Electric Sector Modernization Plan are separately approved by the DPU, the average annual increase over the five year rate plan will increase to 3.0%.

The DPU will review our request, which includes conducting six public hearings in National Grid's service area and two virtual hearings (see next page), and then make a decision by September 30, 2024 for new rates to become effective October 1, 2024. If you would like to submit written comments to the DPU, please send them to **dpu.efiling@mass.gov** and **marc.tassone@mass.gov** with the subject line: **D.P.U. 23-150.**

For more information on this request, visit our website at **www.nationalgridus.com** or call National Grid at **1-800-322-3223.** The DPU also has a webpage with additional information on our filing, the public hearings, and bill impacts: **https://www.mass.gov/info-details/dpu-23-150-national-grid-electric-base-distribution-rate-case**. For information on the webpage, please contact **marc.tassone@mass.gov** with the subject line: **D.P.U. 23-150.**

continued >

This is an important notice. Please have it translated.

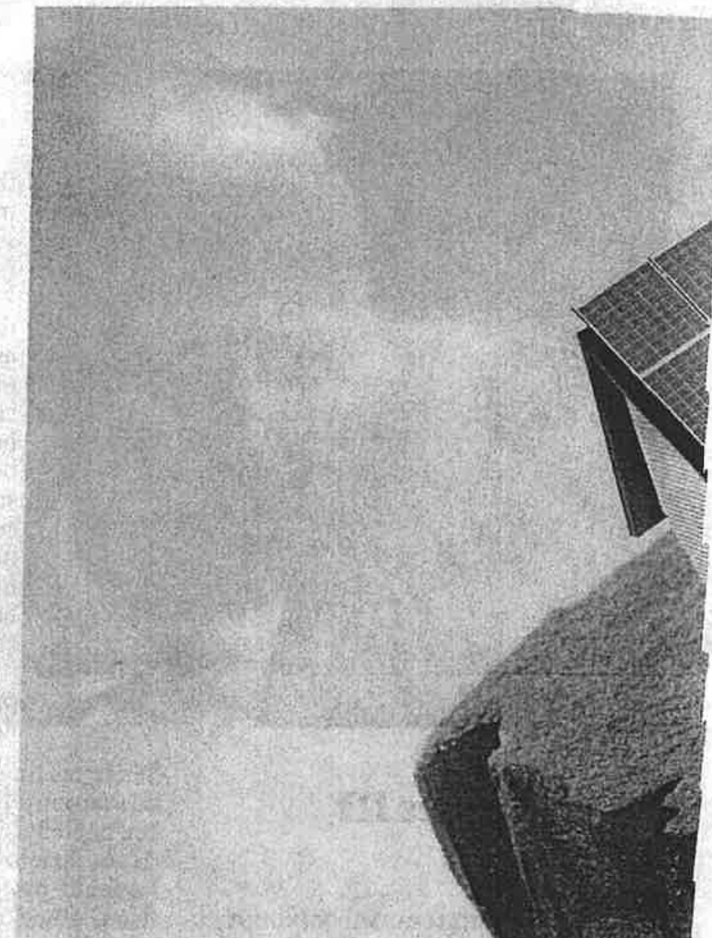
Este é um aviso importante. Quiera mandá-lo traduzir.
Este es un aviso importante. Sirvase mandarlo traducir.
Avis important. Veuillez traduire immediatement.
Questa è un'informazione importante, si prega di tradurla.
Это очень важное сообщение. Пожалуйста, попросите чтобы вам его перевели.
នេះគឺជាការជូនដំណឹងសំខាន់.សូមបកប្រែវា.

Đây là một thông báo quan trọng.Xin vui lòng dịch thông báo này.
這是一個重要的通知。請翻譯一下.
هذا إخطار مهم. نرجى ترجمته.
এটি একটি গুরুত্বপূর্ণ বিজ্ঞপ্তি। অনুগ্রহ করে এটি অনুবাদ করে নিন।
Sa a se yon avi enpòtan. Tanpri, fè li tradwi.
דאָס איז אַ וויכטיקע אָנזאָג. ביטע איבערזעצט

FINANCE

Rooftop solar might be on the verge of collapse

BY ALANA SEMUELS



A DECADE AGO, SOMEONE KNOCKING ON YOUR DOOR TO sell you solar panels would have been selling you solar panels. These days, they are probably selling you a financial product—likely a lease or a loan.

Mary Ann Jones, 83, didn't realize this until she received a call last year from GoodLeap, a financial-technology company, saying she owed $52,564.28 for a solar-panel loan that expires when she's 106, and costs more than she originally paid for her house.

In 2022, she says, a door-to-door salesman from the company Solgen Construction showed up at her house on the outskirts of Fresno, Calif., pushing what he claimed was a government program affiliated with her utility to get her free solar panels. At one point, he had her touch his tablet device, she says, but he never said she was signing a contract with Solgen or a loan document with GoodLeap. She's on a fixed income of $960 a month and cannot afford the loan she says she was tricked into signing up for; she's now fighting both Solgen and GoodLeap in court.

Her case is not uncommon. Solar customers across the country say that salespeople obscure the specific terms of the financial agreements and cloud the value of the products they peddle. Related court cases are starting to pile up. "I have been practicing consumer law for over a decade, and I've never seen anything like what we are seeing in the solar industry right now," says Kristin Kemnitzer, who represents Jones and says her firm gets "multiple" calls every week from potential clients with similar stories.

Angry customers aren't the only reason the solar industry is in trouble. Some of the nation's biggest public solar companies are struggling to stay afloat as questions arise over the viability of the financial products they sold—both to their consumers and to investors.

At a time when solar is supposed to be saving the world, looming financial problems threaten to topple the U.S. residential solar industry. Though rooftop solar in 2022 generated just 4.7% of the nation's electricity, if widely deployed it could eventually meet residential electricity demand in many states. But according to Roth Capital Partners, in late 2023 alone more than 100 residential solar dealers and installers in the U.S. declared bankruptcy—six times the number in the previous three years combined.

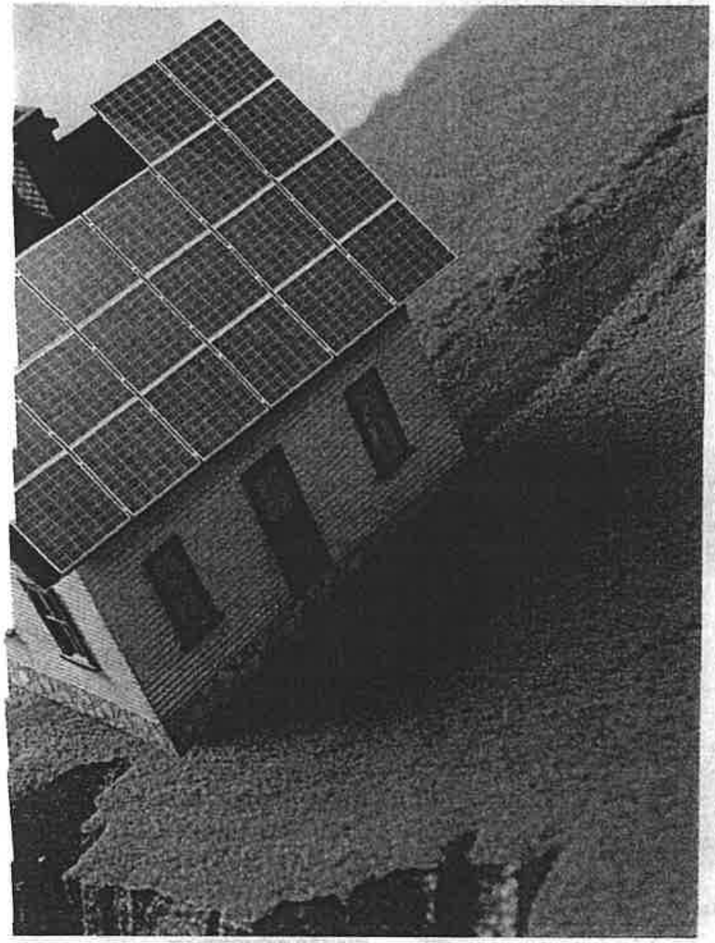
The two largest companies in the industry, SunRun and Sunnova, both posted big losses in their most recent quarterly reports, and their shares are down 86% and 81% respectively from their peaks in January 2021. Sunnova is also under the microscope for having received a $3 billion loan guarantee from the Department of Energy while facing numerous complaints about troubling sales practices that targeted low-income and elderly homeowners. Another solar giant, SunPower, saw shares plunge 41% on Dec. 18 after it said that it may not be able to continue to operate because of debt issues. Sunlight Financial, a big player in the solar-finance space, filed for Chapter 11 bankruptcy in October.

In other words, like Mary Ann Jones, the solar industry has a debt problem. The difference is, the industry was extremely eager to take out its loans.

Since at least 2016, big solar companies have used Wall Street money to fund their growth. But this "financialization" was anything but simple, and its complexity both raised the consumer cost of the panels and compelled companies to aggressively pursue sales. National solar companies essentially became finance companies that sell solar, engaging in calculations that may have been overly optimistic about how much money the solar leases and loans actually bring in.

"I've often heard solar finance and sales compared to the Wild West due to the creativity involved,"

ILLUSTRATION BY LON TWEETEN FOR TIME; GETTY IMAGES



says Jamie Johnson, the founder of Energy Sense Finance, who has been studying the residential solar industry for a decade. "It's the Silicon Valley mantra of 'break things and let the regulators figure it out.'"

RESIDENTIAL SOLAR has always faced a big impediment to growth: installing and maintaining solar panels is expensive, and few consumers wanted to spend tens of thousands of dollars in cash to pay up front for what was a relatively untested product. To get around this problem, a company called SolarCity in the early 2010s came up with a new model—leasing solar panels to customers, allowing them to pay little to no up-front cost. Companies like SunRun quickly followed. By 2014, this "third-party-owned" kind of leased solar accounted for nearly 70% of total residential installations.

'I've often heard solar finance and sales compared to the Wild West.'

—JAMIE JOHNSON, ENERGY SENSE FINANCE

Besides enabling sales, there were other, even bigger, financial benefits of this practice for SolarCity. Since the company, not the consumer, owned the solar panels, SolarCity could claim the hefty 30% tax credit for solar panels, which the government approved in 2005. It then took those tax credits and sold them to companies like Google or Goldman Sachs, funding SolarCity's further growth.

SolarCity's other innovation was to package together thousands of consumer leases and sell them to investors as asset-backed securities, which enabled the company (and others that followed suit) to move debt off their balance sheet. Investors liked buying these asset-backed securities because they had higher rates of return than government bonds and were perceived as relatively low risk—the assumption was that homeowners would make the monthly solar-lease payments to keep their electricity on. It didn't hurt that these securities made investor portfolios look more climate-friendly. By 2017, the sale of solar asset-backed securities (ABS) by companies including SolarCity and SunRun had reached $1 billion.

However, these financial innovations also increased the pressure on companies to grow quickly. Solar companies needed lots of new customers in order to package the loans into ABS and as newly minted public companies were expected to show double-digit growth. So solar companies deployed expensive sales teams to go out and sell to as many homeowners as aggressively as they could.

SolarCity ran out of money in 2016 and was acquired by Tesla, but the problems created by its expensive model have persisted. Today, about one-third of the up-front cost of a residential solar system goes to intermediaries like sales and financing people, says Pol Lezcano, an analyst with BloombergNEF. In Germany, where installation is done locally and there are fewer intermediaries, the typical residential system costs about 50% less than it costs in the U.S. "The up-front cost of these systems is stupidly high," says Lezcano, making residential solar not "scalable."

After growing 31% in 2021 and 40% in 2022, residential solar in America will grow by only 13% in 2023 and then contract 12% in 2024, predicts the research firm Wood Mackenzie. In part, that's due to higher interest rates than the industry has ever had to face. In addition, recent legislative changes in California reduce the amount of money that homes can earn from sending power back to the grid, making solar less appealing financially; other states are following California's lead.

But high interest rates and policy changes might not be a huge problem if the big solar companies weren't already burning through money and needing to take out even more debt—which is itself getting more expensive. As Travis Hoium, who has been covering the solar industry for more than a decade for the Motley Fool, notes, "With all of these companies, you are on a financing treadmill—which is awesome until the treadmill stops."

MEANWHILE, THE PRESSURE for fast sales may have led some companies to look the other way when salespeople obscured the terms of the solar-panel leases and loans they were selling in order to close a deal.

Jesus Hernandez, 53, says a Southern Solar salesman told him in 2019 that installing solar panels could cut his monthly electric bill to as little as $50 a month; Hernandez was paying around $500 a month at the time. He took out a 20-year loan from GoodLeap to install about $62,000 worth of solar panels. After interest and fees, that turned out to be more like $90,000. Today, Hernandez pays about $400 a month on the loan but his electric bill is still in the $500 range, because the panels do not produce the promised electricity. "Everything they told us was a lie," he says. (Southern Solar did not respond to a request for comment.)

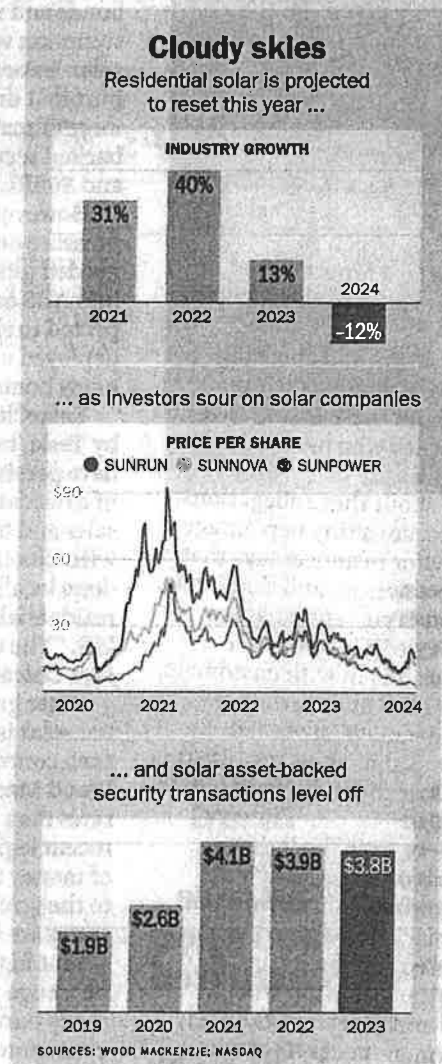
There is evidence that solar-finance companies knew that not every sale was by the book. As early as 2017, an employee of Mosaic allegedly flagged to his superiors that salespeople were running credit inquiries in ways that violated federal and state privacy laws. "This is looking more and more like a systemic issue. It's already big, I'm trying to stop it from getting bigger," the employee wrote in an email, according to court documents filed in a lawsuit alleging that door-to-door salespeople for Mosaic and Vivint Solar (now part of SunRun) submitted unauthorized credit applications for consumers who had no interest in getting solar panels. (The parties settled the case out of court.)

Even some people who voluntarily signed up for financing products say they were misled about the actual cost of the solar panels. That's because loans from companies like GoodLeap and Mosaic often include an unexplained and significant "dealer fee." For example, a customer buying a $30,000 solar-panel system with a low interest rate may not know that price includes a $10,000 loan-dealer fee. Had they paid cash, the panels would have cost $20,000.

Persuading a customer to sign up for financing is lucrative for the companies, and some door-to-door solar salespeople have contracts that pay them extra every time they get customers to sign up to finance a deal. And of course, those costs are passed along to consumers too.

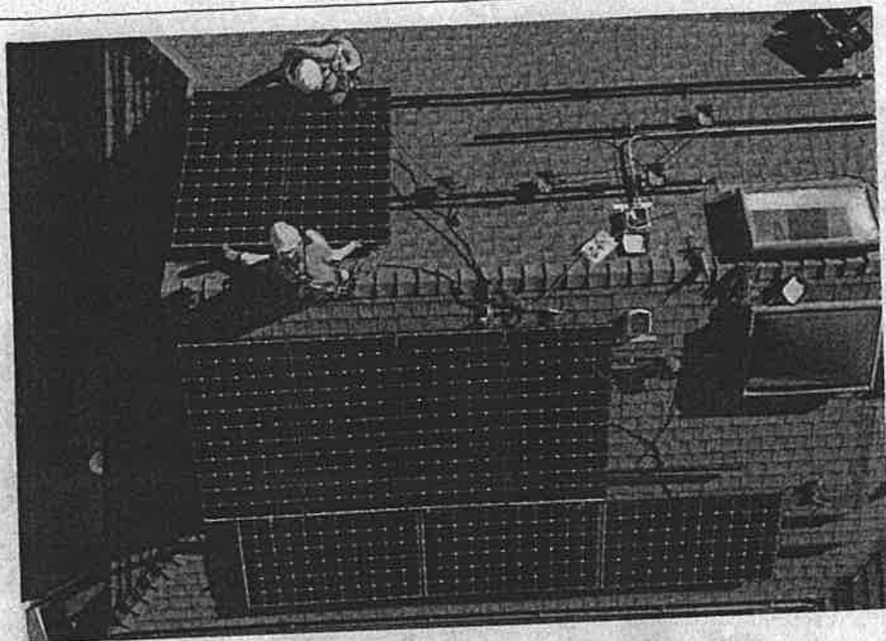
"The thing that blows my mind is the scale of the fraud," says Robert Tscholl, who represents 46 clients currently in arbitration with GoodLeap over allegations that they were misled about the terms of their loans or that they were given faulty equipment. "Tens of thousands of people bought into this, thinking they were doing good."

Consumers don't catch the extra costs in part because salespeople often present documents to potential customers on tablets or phones, making it easy to skip over the fine print. Mary Ann Jones' situation is not that unusual—homeowners are sometimes told that they're tapping their finger on an iPad to get a quote from a loan company, but salesmen are in fact signing them up for a loan, says Kemnitzer, Jones' lawyer. (Both GoodLeap and Solgen say that it is inaccurate for Jones to claim that the loan was fraudulently originated. Solgen shared with TIME a video of Jones being walked through the terms of the loan, but a judge recently ruled that the video did not show that Jones signed an enforceable contract.)



Few of these solar cases have yet made it to court, in part because of the binding arbitration clauses in many of the loans and leases, but some recent developments make consumer lawyers hopeful. For example, last November, after just two days of testimony, a jury awarded Jesus Hernandez half a million dollars, though he says he hasn't seen a penny yet. And a judge recently rejected GoodLeap's motions to have Mary Ann Jones' case handled in arbitration.

IN SOME WAYS, the current situation in the residential solar market is analogous to the subprime-lending crisis that set off the Great Recession, though on a smaller scale. As in the subprime-lending crisis, some companies issued loans to people who could not—or would not—pay them. And as in the subprime crisis, thousands of these loans—and in solar's case, also leases—were packaged and sold to investors as asset-backed securities with promised rates of return. The Great Recession was driven largely by the fact that people stopped paying their loans, and the asset-backed securities didn't deliver the promised rate of return to investors. Similar cracks may be forming in the solar ABS market. For instance, the rate of delinquencies of loans in one of Sunnova's asset-backed securities was approaching



Workers install solar panels on the roof of a California home in December

SANDY HUFFAKER—BLOOMBERG/GETTY IMAGES

5% in the fall of last year, according to a report issued by KBRA, a bond-ratings agency. Historically, delinquencies in solar ABS had been around 1%.

"No ratings agency is actually going in and checking what actually happened at the time of signing, they're just looking at the data put forth about these loans," says Tom Domonoske, a consumer attorney who has filed cases against solar and financing companies.

If you ask the solar companies about these allegations, they'll say that unhappy customers are a tiny percentage of their total portfolio. GoodLeap, for instance, says that it has a good reputation with homeowners, and that it has more than 1 million customers but is currently named in just 95 lawsuits. It did not provide TIME with the number of arbitration proceedings it is in with customers. Sunnova says it has a "zero tolerance" policy when it comes to salespeople who take advantage of vulnerable people, and investigates allegations that arise, terminating salespeople when necessary. Mosaic did not respond to a request for comment.

There's another shadow looming over the industry: some Wall Street analysts accuse solar companies of questionable accounting around the long-term value of the systems they sell. For a solar company to get a tax credit for the panels it leases to customers, it has to tell the IRS how much it thinks the leases are worth, based on projected future costs and revenues. Recently, Muddy Waters, a Wall Street firm, issued a research report accusing SunRun of "bamboozling" the IRS by inflating the value of its tax credits.

SunRun itself has disclosed in investor filings that it is in the midst of an IRS audit. One Wall Street analyst, Gordon Johnson, calls this "the biggest tax fraud in the history of the U.S." (SunRun says that the independent appraisers who estimate the values of SunRun systems do so consistently with industry best practices, and that investors and lenders have "closely diligenced" its tax and valuation procedures.)

Still, if the IRS finds that SunRun and other solar companies manipulated tax returns, it could lead to significant financial problems in the industry. "The real risk is that the cash flows are not there," says Johnson, whose equity-research firm, GLJ Research, has issued reports alleging that the asset-backed securities of companies like SunRun and Sunnova are akin to a Ponzi scheme. "Mark my words, many of these companies are going to be bankrupt."

'The thing that blows my mind is the scale of the fraud.'

—ROBERT TSCHOLL, ATTORNEY

THE BROAD PROBLEMS facing residential solar and financing companies are already causing some pain in the form of layoffs—California alone lost 17,000 solar jobs in 2023, according to the California Solar and Storage Association. There are ripple effects in the industry; Enphase Energy, which makes microinverters for solar panels, said in December it was laying off 10% of its workforce amid softening demand.

It could get a lot worse before it gets better, with not just lost jobs but a near total collapse of the current system. Some analysts, like Lezcano of BloombergNEF, think that the big national players are going to have to fall apart for residential solar to become affordable in the U.S., and that in the future, the solar industry in the U.S. will look more like it does in Germany, where installations are done locally and there are fewer door-to-door sales.

In the meantime, the idea that we need to persuade tens of thousands of Americans who can't afford it to put solar on their rooftops shifted the responsibility for addressing the climate crisis from the entities that could really make a difference—big companies and governments, for example—and onto individuals who are good targets for financing companies.

Bad actors are continuing to operate. Just a few weeks ago, another salesperson knocked on Jesus Hernandez's door and tried to sell him on rooftop solar. Hernandez's son answered the door and told the salesman that the family already had 68 nonworking panels on the roof and that they were in the process of suing the installer. The salesman retreated, going to knock on other doors on the block. □

Part I ADMINISTRATION OF THE GOVERNMENT

Title XII EDUCATION

Chapter 78 LIBRARIES

Section 11 BOARD OF TRUSTEES; POWERS AND DUTIES

Section 11. The board shall have the custody and management of the library and reading room and of all property owned by the town relating thereto. All money raised or appropriated by the town for its support and maintenance shall be expended by the board, and all money or property which the town may receive by gift or bequest for said library and reading room shall be administered by the board in accordance with the provisions of such gift or bequest. The board of any library, for the purpose of improving the services of said library, may enter into an agreement with the board or boards of any neighboring library or libraries, to pay for services in common, or to manage a facility to be operated jointly by more than one municipality, such payments to be shared in accordance with terms of such agreement.