

Cape & Vineyard Electric Cooperative, Inc.  
Financial Policy and Software Review Committee  
Open Session Meeting Minutes  
Thursday, July 18, 2013

The Financial Policy & Software Review Committee of the Cape & Vineyard Electric Cooperative, Inc. met on Thursday, July 18, 2013 at 8:30 a.m. in Rooms 11/12, Superior Court House, Barnstable, Mass.

**Present were:**

C. McLaughlin, V. President/Director, Barnstable  
Joseph Bayne, Director, Eastham  
Charles Hanson, Director Brewster  
E. Mark Zielinski, Director, Barnstable County

**Absent:**

None

**Staff:**

Liz Argo, Consultant  
Karen Loura, Administrative Assistant

**Others:**

P. Cabana, Director/Executive Member Barnstable County @ 9:00 am  
W. Straw, Director, Tisbury @ 9:06 am  
J. Rand, Director, W. Tisbury @ 9:06 am

**1. Public Comment:**

No Public Comment

**2. DISCUSSION AND VOTE REGARDING THE TIMING AND DETAIL OF A POTENTIAL REQUEST FOR QUALIFICATIONS AND/OR REQUEST FOR PROPOSALS FOR THE PURCHASE OR LEASE OF SOFTWARE PROGRAMS OR SERVICES TO ASSIST CVEC WITH TRACKING OF SOLAR GENERATION, BILLING, AND RECONCILIATION IN A MUNICIPAL NET-METERING ATMOSPHERE.**

With all members present, the meeting was called to order at 8:50 a.m. There was discussion about the abilities of Munis and whether there are suitable features included in their suite of services. County currently keeps the accounting for CVEC separate from Munis. Munis does have a billing module. Currently CVEC has seven sites in operation, which have been operational for approximately three years. ConEdison Solutions (the developer) issues monthly invoices to CVEC and M. Zielinski invoices the members. All current systems are behind the meter. The electricity generated is sold to CVEC which, in turn, is sold to members. M. Zielinski described the difficulty in allocating the dollar credit value due to lag time. If generation is below a megawatt the credit has to be allocated.

C. McLaughlin said Barnstable anticipates an estimated 2.5 million kW in excess generation and there is concern about managing the excess energy, its off-takers and allocation. L. Argo referred to Salesforce.com which is a sales management tool designed to manage contacts and contracts, which can now provide platforms for specific billing/tracking needs and she requested representatives be included on the Request for Proposal (RFP) list. J. Bayne said the Community Development Partnership erected solar panels on the roof of affordable housing which requires tracking. He said they may be a resource in accounting. C. Hanson said My

Generation operates a solar garden in Brewster and users all receive credit on their bills. All of these possibilities should be considered.

M. Zielinski said there is a two-fold process; the billing piece and the allocation of net metering credits. Munis is capable to bill correctly and allocate correctly but is not software flexible and lacks portability. He said there may be existing software available like QuickBooks which would not require an RFP. He said Round I projects do not present an issue but software will be needed to manage the larger projects included in Round II. C. McLaughlin said Robert Patterson may have a program and may be able to help with interfacing with Nstar. M. Zielinski reported he and Atty. Eidelman met with Nstar billing, who believes they may be able to provide assistance. They must clear it with NStar Corporate. He said the Town of Barnstable will have up to 650 accounts that might provide allocation. Each project will have a different price of electricity generated due to different interconnection costs and there is not a possibility that an average price can be used.

The Committee then discussed next steps and identified possible persons or companies to contact for generic information on Net Metering Crediting and PPA billing. M. Zielinski said there are no funds available to generate custom software. It was projected M. Zielinski would perform the initial setup, accounting and billing, which would then be turned over to new staff once hired.

M. Zielinski reviewed the procurement regulations. \$25,000 requires RFP w/sealed bids. \$10,000 threshold requires Best Business Practices be followed.

It was agreed L. Argo would work with J. Bayne to make contact with available resources.

### **3. DISCUSSION AND VOTE TO RECOMMEND TO THE FULL BOARD POLICY POSITIONS ON THE FOLLOWING FINANCIAL MATTERS**

A. Fund Balance and Size of Reserve. There was discussion concerning the size of the fund balance. Historically it is equal to one year's operating budget in reserve. C. McLaughlin asked the Committee to think about whether CVEC should have more than one year in reserve and once that amount is met, whether to send money back to the members. There was discussion about financial reporting. J. Bayne favors quarterly income statements and balance sheets.

B. Board policy on operating fund transfers within budget, limits on the same, and staff authority to accomplish consistent with Board directives. The Committee discussed ways to transfer funds within the budget and described the way it is done by Town Governments. C. Hanson suggested the Executive Committee also serve as the Finance Committee, and he suggested establishing a limit on the dollar amount of financial transactions.

#### C. Financial Reporting

The Committee discussed financial reporting. J. Bayne favors at least quarterly income statements and balance sheets. He said the structure and methods of finances can be adopted as policy by CVEC and do not necessarily need to be within Bylaws.

*At 9:35 a.m. C. McLaughlin moved to adjourn, seconded by C. Hanson and voted unanimously in favor.*

*Respectfully submitted,*

*Karen E. Loura  
Administrative Assistant*