

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors and Executive Committee
Open Session Meeting Minutes
Thursday, March 27, 2014

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee and Board of Directors met on Thursday, March 27, 2014 @ at 9:34 a.m. in Conference Room 11/12, Barnstable Superior Courthouse, 3195 Main Street, Barnstable MA 02630

PRESENT WERE:

John C. Checklick, President/Director, Falmouth
Charles McLaughlin, V. President/Director, Barnstable
E. Mark Zielinski, Treasurer/Director, Barnstable County
Peter Cabana, Executive Committee Member/Director, Dukes County
Stephan Wollenburg, Executive Committee Member/Cape Light Compact
Joseph Bayne, Director, Eastham
Lawrence Cole, Director, Harwich
Richard Toole, Director, Oak Bluffs
Peter J. Petas, Director, Provincetown
William Straw, Director, Tisbury
Steven Gavin, Director, Yarmouth

ABSENT WERE:

Jon Nelson, Bourne
Charles Hanson, Clerk/Director, Brewster
John Scott, Director, Chatham
Richard White, Director, Dennis
Pam Dolby, Director, Edgartown
Michael Richardson, Director, Mashpee
Ronald Collins, Director, Orleans
James Killion, Director, Sandwich
Jennifer Rand, Director, W. Tisbury

COUNSEL & STAFF PRESENT:

Jeffrey Bernstein, Esq. BCK Law, PC
Liz Argo, CVEC Special Projects Coordinator
Karen Loura, Assistant Clerk

PUBLIC PRESENT

None

CALL TO ORDER

With a quorum of the Board of Directors present, Pres. Checklick called the meeting to order at 9:34 a.m. stating that the meeting had been duly posted in compliance with the Open Meeting Law on March 24, 2014 @ 1:20 p.m. on the CVEC website and exterior Public Meeting Notice Board at the Barnstable Superior Courthouse. Pres. Checklick announced he will refer to CVEC as "The Cooperative" going forward. He introduced Peter Petas, newly appointed Director representing Provincetown.

NO PUBLIC COMMENT

CONSIDERATION OF MEETING MINUTES

The Board then considered the January 16, 2014 Open Session Board of Directors/Executive Committee Meeting Minutes. Corrections were made by agreement. *M. Zielinski moved the Board vote to approve the minutes as amended, seconded by L. Cole and voted unanimously in favor with P. Petas and S. Gavin abstaining.*

SULLIVAN, ROGERS & CO. 7/1/10-6/30/12 CAPE & VINEYARD COOPERATIVE, INC. FINANCIAL STATEMENTS

The Board then considered the July 1, 2010-June 30, 2012 Financial Statements prepared by Sullivan, Rogers and Company. Pres. Checklick provided a summary of the review process. *M. Zielinski moved to accept the audit, seconded by P. Cabana.* Discussion followed. It was determined once the draft is accepted by the Board that it becomes a public document. *The Board then voted unanimously in favor with P. Petas abstaining (10-0-1).*

EXECUTIVE SESSION MEETING MINUTES - REVIEW FOR RELEASE INTO THE PUBLIC RECORD-- UPDATE

C. McLaughlin announced the Executive Session Meeting Minutes reviewed, redacted and posted and submitted a listing of same (Attachment A).

There was discussion to develop a Meeting Minutes Policy consistent with the Attorney General's Guidelines. Atty. Bernstein urged regularly scheduled reviews.

UPDATE ON CVEC PV INITIATIVE-- PHASE I

L. Argo provided the following update:

Accurate kWh usage information is needed from Towns.

Eight Solar Panels were stolen from the Commerce Park site in Brewster.

Recommended ribbon cutting ceremonies take place shortly in Eastham and a site on Martha's Vineyard. She will talk with P. Cabana and P. Dolby and decide which island site to host a ceremony. P. Cabana would like to see a ceremony at every Island site.

- o B. Straw requested something be scheduled in Tisbury at the time of the 1st payment.

Experiencing some difficulty identifying a bank to provide the type Lock Box arrangement needed (3-party account). Several members offered Bank/Banker suggestions.

ACE expecting to complete Eastham installation mid-April.

CVEC has met its obligation with Dept. of Energy Resources (DOER).

There was discussion about the purchase of the cement bases used. Because these are purchased together with the racking systems, they cannot be obtained locally and would cost twice as much as concrete from Martha's Vineyard.

DISCUSSION ON COMMUNICATION WITH AND PRESENTATIONS TO TOWNS ON SCHEDULE Z'S AND DETERMINATION OF TOWNS' ANNUAL TOTAL USAGE

L. Argo provided the following updates:

She is working to identify off-takers for excess generation.

She is providing a presentation to Monomoy School District and has called Nauset School System. She is reaching out to Towns. Orleans will have an article on their Town Meeting warrant to accept CVEC excess power.

She is asking towns to refine annual electric usage numbers so that CVEC will know the amount of excess. Most towns have factored in the reduction in usage created by the installation of LED Street-lighting.

UPDATE ON STATUS OF POWER SALES AGREEMENTS (PSA) FOR CVEC MUNICIPAL NET METERED SALES FOR MEMBERS:

L. Argo reported anticipated overproduction of approximately 2 million KW (8.6 million kWh electricity unassigned) less municipal off-takers leaves 6.75 million kWh conditionally committed and 1.855 not committed in need of a home from CVEC projects. She said a large off-taker would resolve the excess.

There was discussion concerning Oak Bluffs options to develop a solar farm.

There was discussion about excess going to non-member municipalities. L. Argo said there is no support for a Phase III since there is no need. Pres. Checklick said there are non-member towns who may want to join CVEC which would open up significant need.

NET METERING/BILLING CONSULTANT

L. Argo distributed the scope of service and costs of base service and optional services to create, populate a update an accounting/billing database and using Quick Books. Discussion followed. *C. McLaughlin moved the Subcommittee be authorized to finalize terms with Peregrine Energy Group and that the President be authorized to execute a Contract with Peregrine up to \$55,000.00 subject to final approval of the Executive Committee, seconded by P. Cabana.* L. Cole called for a point of order and noted today's agenda does not call for a vote on this matter. *C. McLaughlin withdrew his motion and P. Cabana withdrew his second.* By agreement, the subcommittee will complete negotiations and terms and provide a contract for approval to the Executive Committee. Atty. Bernstein reported the Board of Directors will need to ratify the actions of the Executive Committee. He suggested the matter be placed on the May Agenda.

There was discussion about CVEC assisting Barnstable through an intergovernmental agreement with accounting and billing for an ARRA project where CVEC could bill Barnstable for the services.

RECONCILIATION OF NET METERING CREDITS/INVOICING & PAYMENT

L. Argo reported she will meet with each host municipality to review expectations once billing starts.

CVEC 7 – O&M PROCEDURES & COSTS

As CVEC is now responsible to take over the operation & maintenance of the seven (7) ConEdison/CVEC Photovoltaic systems, three quotes have been solicited and received. The lowest bidder was Miller Bros. at \$20,000. CVEC is also now responsible for any ad hoc (not typical) O & M. ConEdison reports costs have run \$7-10,000/year for the 7 sites. The projects earn \$5,000/year to the adder. L. Argo read the scope of services. It was asked if the systems could be sold to the host entities. It was agreed to reject all three proposals and seek additional proposals.

PHASE I PV - CASH FLOW & LOAN REQUEST

The Board then discussed the need to provide funding to enable CVEC to pay the Developer in the event of delay of the cash disbursement from NSTAR. L. Argo reported worst case scenario estimate of \$100,000/month for 3 months' needed due to timing of cash flow. There was discussion about possibly

increasing the TD Bank line of credit in place for the ConEd Projects. There was discussion about requesting a short-term loan from Cape Light Compact as part of the budget request.

There was discussion about the status of the Towns' commitment and anticipated need for Special Town Meetings or vote of Town Council to appropriate funds for payment to CVEC, if it has not already been budgeted, for the time between deployment of the system(s) through June 30, 2014. It was agreed L. Argo would draft a letter to send reminding Towns of their need to make arrangements to cover unanticipated expenses to be reviewed with C. McLaughlin and M. Zielinski. Pres. Checklick offered to provide Towns with estimates in advance of the end of year if it would be helpful. C. McLaughlin said CVEC needs to spell this out and send the letter to the Towns next week. There was discussion about the timing of the impending NSTAR method of accounting decision and L. Argo added the Schedule Z is now in need of revision. She calculated approx. 15 days remain on the clock for NSTAR to decide.

FY15 BUDGET

The Board then reviewed the FY15 draft budget prepared by M. Zielinski, J. Checklick, M. Downey and L. Argo. There was discussion about legal expenses. Atty. Bernstein said 3 major issues (ACE Financing, Broadway's change in the financiers and Broadway's going out of business) drove the majority of expenditures creating the current deficit. \$25,000 will be recovered from ACE. There was discussion and projection of annual totals if legal spending rate continues through the end of the year. M. Zielinski said the remaining reserve fund balance and a \$100,000 loan would provide enough of a buffer to accommodate cash flow needs. \$5,000/project (\$80,000) has been secured from GNS due to the failure of Broadway. Atty. Bernstein said these are CVEC funds. P. Cabana said Cape Light Compact is proud that Phase II PV is going forward and he suggested increasing the amount of the loan request to accommodate PV Phase III. It was clarified that the loan is to accommodate cash flow needs. There was discussion about funding Phase III and Phase II cash flow needs. C. McLaughlin suggested a minimum of 3 month's cash for any project phase and also added that Barnstable's amount can be deducted as Barnstable will provide funding for at least 3 months for its portion, subject to affirmative vote of Town Council. The Board discussed amount to request. *L. Cole moved to approve the budget as presented, seconded by M. Zielinski.* The cost of employing a General Manager is not included in the FY15 Budget. M. Zielinski reminded the members of less generation in Round II than previously thought. L. Argo reported revenue of \$170,000/year + \$5,000/year from CVEC7 once CLC funding ends. *The Board then voted unanimously in favor (11-0-0).*

C. McLaughlin moved to authorize the President and Treasurer to compute an amount and apply for a loan to be budgeted for 3 months cash flow necessities for all projects coming on line with the exception of those in Barnstable. The President and Treasurer are to decide how much to request given the current financial reserve, seconded by J. Bayne. Discussion followed relative to funding Phase III. L. Cole called a point of order asking if language on the meeting agenda covers voting. *The Board then voted unanimously in favor (11-0-0).* There was discussion about opportunities to increase revenue.

Recess: 12:09-12:15 pm

EXECUTIVE SESSION

At 12:15 p.m. Pres. Checklick requested an Executive Session to consider, discuss and potentially vote on Executive Session Meeting Minutes, 3/15/14 Open Meeting Law Complaint, Phase I & II PV procurement, Yarmouth ZBA denial of the Dennis/Yarmouth Solar Projects, Renewable energy procurement options He stated an open meeting may have a detrimental effect on CVEC's ability to conduct business in relation to other entities making, selling or distributing electric power and energy and that the consideration of the purchase, exchange, lease or value or of real property will have a detrimental effect on CVEC's negotiating

position as a public body and a detrimental effect on the bargaining or litigating position of the public body. He also stated CVEC would return to open session at the conclusion of the Executive Session. *L. Cole moved the Board vote to enter into Executive Session pursuant to MGLA Ch. 30A § 21 (a) (3) & (10) seconded by P. Cabana. The Board then voted unanimously by roll call as follows:*

J. Checklick, Falmouth	Yes	J. Bayne, Eastham	Yes
C. McLaughlin, Barnstable	Yes	R. Toole, Oak Bluffs	Yes
M. Zielinski, Barnstable County	Yes	P. Cabana, Dukes County	Yes
L. Cole, Harwich	Yes	W. Straw, Tisbury	Yes
S. Gavin, Yarmouth	Yes	P. Petas, Provincetown	Yes
S. Wollenburg, Cape Light Compact	Yes		

Motion carried in the affirmative.

At 2:18 p.m. the Executive Committee returned to Open Session.

It was agreed to meet on April 10, 2014 @ 9:30 a.m.

At 2:20 p.m. S. Wollenburg moved the Board vote to adjourn, seconded by P. Cabana and voted unanimously in favor.

Respectfully submitted,

Karen E. Loura
Assistant Clerk

List of materials used during the meeting:

January 16, 2014 Open Session Minutes

Sullivan, Rogers & Co. Audit-limited copies available and new members took two copies (Not a full handout to all Directors)

Placement of Excess Net Metering Credits from Rounds 2 and A Round 3

Projected Year-end Expenses (8 months actual plus 4 months projected)

Listing of Minutes posted to the website (Attachment A)

Excess Net Metering Credits Calculations

Scope of Services & Cost schedule from Peregrine

FY 15 Budget

Attachment A

List of executive session meeting minutes
reviewed redacted and posted.

Submitted: 3/27/14

Posted 3.5.14

April 23,2008

June 6 2008

June 16 2008

December 20 2012 EC Exec with Redaction

2008-11-21 Full Board Executive Session Minutes

November 15 2012 EC Exec

July 19 2012 Full Exec Draft (Can't find original to take off "draft")

June 21 2012 EC Exec

2012-03-30 EC Executive Minutes

2012 April 19 EC Exec

2012-03-15 EC Executive Minutes

2012-2-16 EC Executive Session Minutes

2012-01-26 Full Board Executive Minutes

2011-9-15 Full Board Executive Session Minutes

2011-6-16 Full Board Executive Session Minutes

2011-8-18 Full Board Executive Session Minutes

2011-5-19 Full Board Executive Session Minutes

2011-4-21 Full Board Executive Session Minutes

2011-03-17 Full Board Executive Session Minutes

2010-12-16 Full Board Executive Session Minutes

2010-11-18 Full Board Executive Session Minutes

2010-9-16 Full Board Executive Session Minutes

2010-8-19 EC Executive Session Minutes

2010-05-20 EC Executive Minutes

2010-2-18 EC Exec Session Minutes

2009-2-13 Full Board Executive Session Minutes

2009-12-17 Joint Executive Session with CVEC Board of Directors and CLC Power Supply Committee

2011-05-19 Minutes

2011-7-21 Minutes (Track Changes corrected)

Replaced Redacted Version with Full 3.5.14 (PDF of Redacted Minutes sent to Bibler 3/14/14:

2010-2-18 EC ES

2009-4-21 Full ES

2010-9-16 Full ES

2010-11-18 Full ES

2010-12-16 Full ES

2008-11-03 Full Board Executive Session Minutes

POSTED 3/12/14 (CM Direct)

2013 13 Exec Comm Exec Session Pt Redacted

2013 19 Exec Comm Exec Session Pt Redacted

2013 01 11 Exec Committee Exec Session Minutes- Reviewed 3/11/14-Partially Redacted

2013 01 28 Executive Committee Executive Session Meeting Minutes- Partially Redacted 3_11_14

2013 01 31 Executive Committee Executive Session Meeting Minutes- Partially Redacted 3_11_14

2013 04 05 Executive Committee Executive Session Meeting Minutes- Partially Redacted 3_11_14.docx

POSTED 3/24/14 (CM Direct)

2010-10-21 CVEC Directors Exec Session minutes

2012 1 26 CVEC Directors Executive Session Minutes

2010-07-15 Executive Committee Exec Session minutes Reviewed 3_11_14 Redacted

2013 08 14 Exec. Committee Exec Session Minutes Reviewed 3_11_14 Redacted

2013 09 03 Executive Committee Executive Session Meeting Minutes Reviewed 3_11_14 Redacted

2010-03-25 Executive Committee Exec Session minutes Reviewed 3_11_14 Redaction lifted

2009-11-19 Executive Committee Exec Session minutes Reviewed 3_11_14 Fully Released

2010-1-28 Executive Committee Exec Session minutes reviewed 3_11_14 Fully Released

2010-06-17 Executive Committee Exec Session minutes Reviewed 3_11_14 Fully Released

2011-11-20 Directors Executive Session Minutes Reviewed 3_11_14 Fully Released

2009-10-15 Executive Committee Exec Session minutes Reviewed 3_11_14 Fully Released