

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors and Executive Committee
Annual Meeting
Open Session Meeting Minutes
Thursday, September 18, 2014

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in Open Session on Thursday, September 18, 2014 @ 9:30 a.m. in Conference Room 11/12, Superior Court House, 3195 Main Street, Barnstable MA 02630

PRESENT WERE:

1. John C. Checklick, President/Executive Committee Member/Director, Falmouth
2. Charles McLaughlin, V. President/Executive Committee Member/Director, Barnstable until 11:00 a.m.
3. Sheila Lyons, Executive Committee Member/Director, Barnstable County @ 9:55 a.m.
4. Stephan Wollenburg, Executive Committee Member/Director/Cape Light Compact
5. Charles Hanson, Clerk/Director, Brewster
6. John Scott, Director, Chatham
7. Timothy Carroll, Director, Chilmark
8. Joseph Bayne, Eastham
9. Barbara Conroy, Edgartown
10. Lawrence Cole, Director, Harwich
11. Ronald Collins, Director, Orleans
12. Austin Brandt Director, Provincetown
13. Jennifer Rand, W. Tisbury
14. Steven Gavin, Director, Yarmouth

ABSENT WERE:

15. Peter Cabana, Member at Large/Executive Committee Member/Director, Dukes County
16. Jon Nelson, Director, Bourne
17. Richard White, Director, Dennis
18. Richard Toole, Director, Oak Bluffs
19. Michael Richardson, Director, Mashpee
20. James Killion, Director, Sandwich
21. William Straw, Director, Tisbury

LEGAL COUNSEL:

Audrey Eidelman, Esq. BCK Law

STAFF PRESENT:

Liz Argo, Special Projects Coordinator
Karen Loura, Assistant Clerk

PUBLIC PRESENT:

Steve Krintzman, Yarmouth Energy Committee
Eric Bibler, Resident, Weston CT
Robert Palmeri, Yarmouth Energy Committee
Richard Elrick, Barnstable/Bourne Energy Manager

CALL TO ORDER

With a quorum of the Board of Directors present, Pres. Checklick called the Annual Meeting to order at 9:37 a.m. and announced the agenda had been duly posted in accordance with the Open Meeting Law on the CVEC Website and exterior meeting notice posting board at Superior Courthouse, 3195 Main Street, Barnstable at

12:45 p.m. on September 12, 2014. E. Bibler of Weston CT informed the President that he is audio recording the meeting.

Public Comment Period

E. Bibler requested a copy of the Cape & Vineyard Electric Cooperative’s (CVEC) Strategic Plan. He said his previous requests were denied because the Plan was not finalized or that it was confidential. He hopes CVEC will share it with the public soon. He also spoke about CVEC requesting funding from Cape Light Compact (CLC) annually and CVEC’s goal to become independent in 2015. He is seeking a CVEC forecast of revenue and expenses. He spoke about CVEC using the same legal counsel as CLC and he requested CVEC consider the subject bylaw and review by other counsel. He issued a caution to the Directors stating they are all representatives of Municipalities and that they have accountability to their Town. He spoke about the Attorney General’s position on CLC.

WELCOMING REMARKS

Pres. Checklick welcomed all of the Directors to the 2014 Annual Meeting and introduced Austin Brandt, newly appointed Director representing Provincetown and informed the Board that Sheila Lyons has been appointed to represent Barnstable County. L. Cole announced today is his last meeting and his is pleased that as of 8/1 the net metering credits are flowing.

ELECTION OF OFFICERS:

J. Checklick proposed the following slate of nominees to serve for one year in the following positions:

President	J. Checklick
V. President	C. McLaughlin
Treasurer,	J. Bayne
Clerk	C. Hanson
Assistant Clerk	K. Loura

He invited the Directors to submit names of additional candidates to the aforementioned positions. The Board voted unanimously in favor of the slate.

T. Carroll moved J. Bayne be appointed to serve in the capacity of Chief Procurement Officer, seconded by C. McLaughlin and voted unanimously in favor with J. Bayne abstaining.

President Checklick then described the Executive Committee consisting of 5 Directors representing the following Barnstable County, Cape Light Compact and Barnstable and two At-large positions. Currently the At-large positions are filled by J. Checklick, Falmouth and P. Cabana, Dukes County.

J. Bayne moved the Board vote to appoint the Executive Committee as follows:

- S. Lyons, Barnstable County*
- S. Wollenburg, Cape Light Compact*
- C. McLaughlin, Barnstable*
- J. Checklick, Member-at-large*
- & P. Cabana, Member-at-large*

seconded by C. Hanson and voted unanimously in favor with J. Checklick abstaining.

CONSIDERATION OF MEETING MINUTES

The Board then considered the April 10, 2014 Meeting Minutes. R. Collins requested to correct “GNS to “G&S” and CVEC 7 to ConEdison Solutions Projects. It was noted that these minutes have already been accepted as amended at the June 19, 2014 meeting.

S. Lyons arrived to the meeting at 9:55 a.m.

The Board then considered the June 19, 2014 Meeting Minutes. Several changes were offered. *C. McLaughlin moved to accept the minutes as amended, seconded by A. Brandt and voted unanimously in favor with A. Brandt, C. Hanson, S. Gavin and S. Lyons abstaining.*

Pres. Checklick introduced Sheila Lyons, newly appoint by the County Commissioners to represent Barnstable County. Going around the table each Director introduced themselves. L. Cole announced this is still his last meeting. J. Checklick asked if Harwich has a replacement. L. Cole said the Selectmen have not yet made an appointment but he has suggested William Doherty who has Utility and Energy Experience and serves on the Harwich Conservation Commission. All thanked Larry Cole for his service to CVEC and agreed he will be missed.

ANNUAL REPORT

L. Argo distributed copies of the Draft FY14 CVEC Annual Report which, once finalized will be sent out to Members. J. Rand moved the Board vote to accept the Annual Report, seconded by S. Gavin. Several changes were requested and there was discussion about copyrights and permissions of photos. From the discussion about listing members and non-member participants, C. McLaughlin reported that when CVEC was formed they wanted to ensure that any member had taxing authority so that they would be in the position to loan funds to CVEC. He said the Fire Districts should be considered for full membership. Atty. Eidelman said a check of the Bylaws would be needed so that CVEC does not lose its status with its IRS determination letter. *S. Wollenburg moved the Board vote to approve the Annual Report as amended subject to final review by the President prior to release to the public, seconded by C. Hanson and voted unanimously in favor with T. Carroll abstaining.* It was agreed to aim for posting by month's end.

FY14 Financial Report

J. Bayne distributed FYE Preliminary Income Statement and Balance Sheet for period ending June 30, 2014. The "Other Revenue" line totaling \$115,941 was questioned and it was explained that it consists primarily due to reimbursements made by Round I & II developers to CVEC. P. Rogers, Assistant Treasurer agreed to provide a breakdown listing sources of "Other Revenue". "Landfill Project" expenses totaling \$36,745 should be labeled Clean Focus. There was discussion about the Legal Expenses of \$451,995. Pres. Checklick reported the majority was due to various (some unanticipated) events and dealings with developers and financiers. There was discussion about SREC Revenue and Expense totals not matching. This is because SREC invoice has been issued but the payment is outstanding. P. Rogers, Assistant Treasurer returned to provide a breakdown, listing sources of "Other Revenue". *C. McLaughlin moved to approve subject to final resuscitation & review by Treasurer and President as unaudited and preliminary financials, seconded by C. Hanson.* Upon questioning, Pres. Checklick said the net income loss is covered from the Reserve Account. *The Board then voted in favor with A. Brandt and T. Carroll abstaining.*

SHARED LEGAL COUNSEL WITH CAPE LIGHT COMPACT

The Board then reviewed a draft letter to J. Bernstein, Esq., BCK Law, dated 9/4/14 requesting shared legal representation with Cape Light Compact on matters of mutual interest. The Board reviewed Exhibit A listing of legal matters of mutual interest. The draft letter is consistent with BCK Law's agreement with CLC. C. McLaughlin provided a history. The State Ethics Commission has approved and encourages shared legal counsel. In addition the Supreme Judicial Court directs counsel to an exhaustive list of potential areas of conflict and as a Lawyer, he is satisfied CVEC is getting the best bang for the buck. He commented on BCK Law's extraordinary representation and firm. He said everyone is acutely aware of ethics issues and speculated that the Legal Expense would dramatically increase should CVEC change law firms. He said this discussion is well timed and well placed. S. Lyons said it may be worthwhile to issue a Request for Proposals (RFP) to learn

what other representation is available and at what cost. C. McLaughlin said Barnstable hired separate counsel for PV Round 1 & 2 and have paid significant fees for duplicate representation. He said he would not support engaging a new attorney mid-project. It was agreed to continue the discussion after January, 2015 at an Executive Committee and report back to the Board. *J. Rand moved the Board vote that in accordance with Section 12.9 of the Bylaws, the Board has made a determination that the interests of the Cooperative will be advanced by shared legal representation and that no actual or potential conflicts of interest exist, seconded by S. Wollenburg and voted unanimously in favor. C. Hanson moved that the Board authorize the President to send a written request for shared legal representation substantially in the form of the sample letter included in the board packet and made an exhibit to the meeting minutes, seconded by L. Cole and voted unanimously in favor. T. Carroll moved that the president is authorized to engage shared legal counsel for the types of matters set forth in Exhibit A of the sample written request for shared legal representation and to manage and direct the scope of services and actions undertaken by shared legal counsel, seconded by L. Cole and voted unanimously in favor.*

At 11:00 a.m. C. McLaughlin left the meeting.

ADMINISTRATIVE SERVICES AGREEMENT

Pres. Checklick requested an additional review of the Administrative Services Agreement between Cape & Vineyard Electric Cooperative, Inc. and Barnstable County in light of the fact that Mark Zielinski is no longer a Director or Treasurer. He said he has verified that services are continuing in the same or similar process. The County provides accounting services provided by Patricia Rogers, Purchasing and Human Resources Services, office space and IT Services. CVEC reimburses the County for staffing support. *T. Carroll moved the Board vote to re-affirm the Administrative Services Agreement, seconded by S. Gavin and voted unanimously in favor.*

CONEDISON SOLUTIONS PV PROJECTS AKA CVEC 7

L. Argo reported on the Operation & Maintenance responsibilities of the ConEdison Solutions PV Installations. By agreement O&M became the responsibility of CVEC at the end of 5 years. Bids were solicited but all costs were too high. The Agreement was re-negotiated and reformatted with ConEdison Solutions to manage operation, maintenance and repair of the systems at a cost to CVEC of \$5,000 and a Renewable Energy Certificate) REC purchase arrangement at a higher value. S. Wollenburg reported this is generally how O&M is done and the best reason for doing so is because the incentive is correctly aligned for production.

SPECIAL EMPLOYEE STATUS, OPEN MEETING LAW & CONFLICT OF INTEREST TRAINING & CERTIFICATION

Pres. Checklick asked Directors to complete OML & Conflict of Interest training by year's end. Certificates from Conflict of Interest Law Training should be supplied to appointing authority and also to CVEC for our files. He urged interested directors to inquire about "Special Employee Status" designation by their Appointing Authority if they have yet to do so.

ROUND I & II PV PROJECTS UPDATE

L. Argo reported all systems of Round I are up & running except Chatham which is awaiting NSTAR acceptance test. NSTAR reports Net Metering Credits will take 3 months before appearing on bill. BCK has issued a notice that this is not in accordance with the tariff. All Round I projects are getting cashed out except Eastham. Atty. Eidelman advised the credits are supposed to post on a billing cycle basis and 3 mos. is beyond tariff. S Wollenburg urged contacting the Ombudsman concerning the delay. Pres. Checklick agreed that we should contact the Ombudsman and will see that it is accomplished.

There was discussion about a Mass Energy Insights tool which identifies Municipal Accounts useful to Towns. R. Collins said all accounts are not included and S. Wollenburg felt it worthwhile to re-visit.

There was discussion about allocation and L. Argo reported Peregrine is helping build the database and populate Schedule Z's which will be submitted to NSTAR on 9/22/14. She said Quick Books will be used to generate invoices and statements for participants. (Data Acquisition System) DAS links will provide ability to view production and is forthcoming. She will update the Directors once available.

L. Argo provided a status update of the projects in Round II.

RIBBON-CUTTING CELEBRATIONS

L. Argo reported that a ribbon cutting is planned for the PV System on the Dennis Landfill site developed by ACE and Clean Focus (not a CVEC sponsored site) and it is scheduled for 9/30/14. Currently available CVEC sites did not lend themselves appropriate primarily due to logistical concerns for a Round I Ceremony. CVEC has stipulated that all of the CVEC sites be visible at the Ceremony. In addition, there will be a Round I ribbon-cutting ceremony on Martha's Vineyard at the Tisbury site later in the day on 9/30/14. A ribbon-cutting ceremony is scheduled for the Dennis-Yarmouth Regional School District PV sites to talk place at the Regional High School and honoring George Allaire, DPW Supt. who passed recently. The DAS will be installed and operating at the High School System.

L. Argo is planning a group photo of CVEC, CLC & off-taker participants potentially at the Harwich site.

COMMUNITY CLEAN ENERGY RESILIENCY INITIATIVE GRANT

L. Argo reported CVEC has received a technical assistance grant for the Dennis/Yarmouth Regional High School. Cadmus Energy completed the analysis and modeling. The purpose is to harden facilities so they can stay open during emergencies and provide shelter. CVEC is hoping to battery back-up the School. The grant will be signed by Cadmus. Pres. Checklick reported the Town of Falmouth also received a similar grant and it is being implement at the Falmouth High School.

MEETING MINUTES POLICY

The Board discussed developing a process to manage review of Executive Session Meeting Minutes and posting/redacting and un-redacting as appropriate. Pres. Checklick said he and C. McLaughlin would take on the role to revise the policy to every other meeting review. J. Rand urged more frequency when there is opportunity.

PERCENTAGE ALLOCATIONS OF NET METERED ENERGY FOR CERTAIN ROUND II INTER-GOVERNMENTAL AGREEMENTS

There was a concern that the Dennis/Yarmouth Regional School District contracted with CVEC as well as with the Town of Dennis for renewable energy and they may have oversubscribed. This concern was alleviated once it was learned that Dennis received notice that NSTAR will cash out their production.

MEETING SCHEDULE UPDATE

Pres. Checklick reported the Board may not have to meet in November. However, we may want to use that meeting so that Peregrine, Accounting Software Consultant can come in to meet with CVEC. If so, L. Argo suggested inviting the Town Accountants/Treasurers. The meeting will remain as scheduled for now.

OPEN SESSION VOTE TO ENTER EXECUTIVE SESSION

At 11:58 L. Cole moved the Board vote to enter into Executive Session, seconded by S. Gavin. Pres. Checklick stated the reasons for entering into Executive Session as published on the Meeting Notice/Agenda as follows:

- a) Approval of Full Board Executive Session Meeting Minutes (pursuant to MGL Chapter 30A§21(a) (1) & (10)
- b) Discussion and potential vote regarding Renewable Energy Procurement Options including a Power Purchase Agreement, the form of Power Sales Agreements (and methodology of distributing net metered credits among potential off-takers pursuant to MGL Ch. 30A§21 (a) (10).

He declared that an open session 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 a detrimental effect on the bargaining or litigating position of the public body. He said the Board would not return to Open Session at the conclusion of Executive Session this day. (E. Bibler requested a copy of the other revenue report breakdown report provided by P. Rogers. Pres. Checklick agreed to take the request under advisement.)

The Committee then voted by roll call vote as follows:

1. J. Checklick, Falmouth	Yes	8. J Scott, Chatham	Yes
2. A. Brandt, Provincetown	Yes	9. S. Gavin, Yarmouth	Yes
3. T. Carroll, Chilmark	Yes	10. L. Cole, Harwich	Yes
4. J. Rand, W. Tisbury	No	11. B. Conroy, Edgartown	Yes
5. R. Collins, Orleans	Yes	12. S. Lyons, Barnstable County	Yes
6. C. Hanson, Brewster	Yes	13. J. Bayne, Eastham	Yes
7. S. Wollenburg, Cape Light Compact	Yes		

Motion passed in the affirmative (12-1-0)

Counsel & Staff were permitted to remain.

Respectfully submitted,

Karen E. Loura
Assistant Clerk

LIST OF DOCUMENTS & EXHIBITS:

- Meeting Notice/Agenda
- April 10, 2014 Meeting Minutes – not needed (previously approved)
- Draft June 19, 2014 Meeting Minutes
- Draft Annual Report
- FY14 Preliminary Income Sheet and Preliminary Income Statement
- Draft letter to J. Bernstein, Esq., BCK Law, dated 9/4/14 requesting shared legal representation with Cape Light Compact on matters of mutual interest
- Administrative Services Agreement
- 9/12/14 Update Memo to CVEC Member Towns, Counties & Participating Entities