

Cape & Vineyard Electric Cooperative, Inc.
Executive Committee
Open Session Meeting Minutes
Friday, January 30, 2015

The Executive Committee of the Cape & Vineyard Electric Cooperative, Inc. met in Open Session on Friday, January 30, 2015 at 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. Leo Cakounes, Executive Committee Member/Director, Barnstable County
 3. Stephan Wollenburg, Executive Committee Member/Director/Cape Light Compact
 4. Peter Cabana, Member at Large/Executive Committee Member/Director, Dukes County
- Joseph Bayne, Treasurer/Director, Eastham by phone @ 10:20 a.m. – 12:12 p.m.

ABSENT WAS:

5. Charles McLaughlin, V. President/Executive Committee Member/Director

LEGAL COUNSEL

Audrey Eidelman, Esq., BCK Law P.C. remotely by telephone @ 10:20 a.m.

STAFF PRESENT:

Liz Argo, Special Projects Coordinator

1. CALL TO ORDER

With a quorum present, Pres. Checklick called the meeting to order at 9:40 a.m.

2. NO PUBLIC COMMENT

3. CONSIDERATION OF MEETING MINUTES

There were no minutes available for consideration.

4. PREPARATION FOR AUDIT AND CONTROLS FOR FINANCIAL TRANSACTIONS

L. Argo explained the Service Organization Controlling “SOC” and issues surrounding financial auditing. Pres. Checklick requested that this matter be referred to the CVEC Finance Subcommittee to decide what kind of control to impose. The following questions are to be considered: 1) A percentage plan town by town 2) incremental dollar increase for testing. 3) If there is a decision to outsource the work, it will need to be funded properly and audited. 4) Consider putting the expense or review upon the member towns. There was discussion about the amount of review whether by sampling or 100%. There was discussion about meeting with J. Bayne and C. Rogers to work out the best system. As an example, J. Checklick said one control is to verify with the towns the amount they receive.

There was discussion as to the reason CVEC uses Chris Rogers consistently. There was discussion about seeking alternative auditors and to add Auditor Search to the April, 2015 Meeting Agenda. Based upon upcoming commitments, J. Bayne has suggested CVEC consider finding a candidate to succeed him as Treasurer. There was discussion about naming an Assistant Treasurer to assist Joe with the Treasurer duties. In addition, there was discussion about checking the Administrative Services Agreement with Barnstable County to determine if Mark Zielinski, Barnstable County Treasurer or Robert Lawton, Barnstable County Interim Treasurer could assist with the Treasurer’s tasks.

5. DEPARTMENT OF ENERGY RESOURCES (DOER) COMMUNITY CLEAN ENERGY RESILIENCY INITIATIVE GRANT

L. Argo provided an update on the process of receiving the Grant funding. The contract from DOER is being drafted. CVEC has not yet accepted the grant. CVEC needs to determine source of funding for its portion (a matching 10%) of the grant funding. CVEC will request a contract revision to provide for “in-kind” services amount to be increased to the maximum allowable amount. There is an upcoming meeting with Barnstable County Regional Emergency Planning Committee (BCREPC) and CVEC will seek their financial participation. The Grant is contingent upon CVEC’s 10% matching funding.

There was discussion about accepting grant funds in phases to provide time for an analysis to determine if the storage batteries could generate revenue to put toward the 10% matching funds. DOER will need to decide if that would be an acceptable method of match funding. There was discussion about tracking the in-kind services supplied to date by L. Argo and Sandy Cashen, Facilities Manager, Dennis/Yarmouth Regional High School. L. Cakounes reported the County Commissioners have established an account to receive the grant money. Confirmation is needed to ensure that the DOER will release \$35,000 grant funding for a project feasibility study only and the remaining grant funds would be released subsequent to those results.

At 10:20 a.m. Atty. Eidelman and J. Bayne joined the meeting by telephone.

6. TOWN OF DENNIS NET METERING CREDIT MANAGEMENT

The Committee reviewed L. Argo’s 1/22/15 Letter and Statement of Work proposal to the Town of Dennis to manage transaction accounting of net metering credits and cash out generated by their PV System. The Committee reviewed a response from Richard White, Dennis Town Manager dated 1/30/14 listing terms, conditions and services. Atty. Eidelman said the letter and Scope of Services would suffice for the first year and she recommended moving to an intergovernmental agreement beginning next year. Because the value of the agreement is \$10,800 it exceeds the \$10,000 threshold for procurement outlined in MGL Chapter 30B for the Town of Dennis. It could possibly be treated as sole-source provider procurement. Atty. Eidelman noted the letter is absent time, obligations of the parties and dispute resolution for example. There was discussion about further formalizing and refining the Agreement with Dennis. Atty. Eidelman estimated it would require approximately an hour to draft a more complete agreement. L. Cakounes expressed his discomfort with a couple of items listed and would seek a non-refundable provision should contract end. *P. Cabana moved the Committee vote to authorize the President or Vice President in the Presidents absence, to sign an agreement with the Town of Dennis to provide the services listed in their letter of January 30th as amended and revised by Counsel, seconded by L. Cakounes.* Discussion about logistics and timing followed. Atty. Eidelman said the Form of Agreement can be finalized on Monday for forwarding on to the Town of Dennis. *The Committee then voted by roll call vote as follows:*

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| 1. L. Cakounes, Barnstable County | Yes | 3. S. Wollenburg, Cape Light Compact | Yes |
| 2. P. Cabana, Dukes County | Yes | 4. J. Checklick, Falmouth | Yes |
- Motion carried in the affirmative (4-0-0)*

7. NET METERING & BILLING CONSULTING CONTRACT – PEREGRINE ENERGY GROUP

The Committee then considered extending the contract with Peregrine Energy Group for Net Metering & Billing Consulting services for \$28,000/yr. \$7,000/3 mos. or \$14,000/6 mos. It was agreed the new Scope of Services would need to list services being provided to the Town of Dennis and other potential new entities. A provision also needs to be included in the revised Scope of Services with Dennis agreement indicating that CVEC is outsourcing the work. L. Argo agreed to prepare a revised “Statement of Work No. 2”.

8. ROUND 1 PV – OPERATIONAL ADDER

The Committee discussed establishing the Operational Adder for Round 1 PV System and whether it would be a fixed dollar amount or an adder to the Power Purchase Agreement or to establish a baseline Net-metering Credit and split the increase 50/50. *L. Cakounes moved the Executive Committee votes to recommend to the full Board that Round 1 be charged the same adder as Round 2, seconded by P. Cabana.* There was discussion about

bringing the request to the April Board of Directors meeting for their input with a draft letter to hosts. *The Committee then voted unanimously in favor.*

9. SPECIAL PROJECTS COORDINATOR TITLE AND JOB DESCRIPTION

The Committee then discussed updating the Special Project Coordinator position currently held by L. Argo so that both the title and description more accurately reflect the functions, duties and responsibilities. There was discussion about re-activating the Selection Committee comprised of Charles Hanson, Charles McLaughlin and John Checklick to conduct a review. L. Argo agreed to draft an updated Job Description for presentation to an Executive Committee Meeting in April. Once finalized, it will go before the Board of Directors for a vote.

PUBLIC UTILITY MUTUAL INSURANCE COMPANY (PURMA)

CVEC has received a letter from PURMA dated January 22, 2015 received this morning relative to availability of Terrorism Risk Insurance. Pres. Checklick authorized discussion as the letter was received this morning and is time sensitive. He read the letter aloud. There was discussion about non-owners desiring this coverage. CVEC has liability in the Energy Management Services Agreement and may want to add this to existing liability coverage. It was suggested to forward the letter to BCK Law for review. It was agreed to add it to the April Board of Director’s Agenda.

10. OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION

At 12:12 p.m., S. Wollenburg moved the Committee vote to enter into Executive Session, seconded by P. Cabana. Pres. Checklick read the purposes as posted on the agenda as follows:

- Consideration of and vote to approve Executive Session Meeting Minutes pursuant to MGL Ch. 30A § 21 (a) (10)
- Discussion of litigation strategies and potential voting regarding American Capital Energy, Inc. vs. Redwood Solar Development LLC et al filed in Barnstable Superior Court, pursuant to MGL Ch. 30A § 21 (a) (3).

He said the Executive Committee would not reconvene in Open Session after the Executive Session. He declared an open session may have a detrimental effect on CVEC’s bargaining or litigating position. The Committee then voted by roll call vote as follows:

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| 1. <i>L. Cakounes, Barnstable County</i> | <i>Yes</i> | 3. <i>S. Wollenburg, Cape Light Compact</i> | <i>Yes</i> |
| 2. <i>P. Cabana, Dukes County</i> | <i>Yes</i> | 4. <i>J. Checklick, Falmouth</i> | <i>Yes</i> |
- Motion carried in the affirmative (4-0-0).*

Respectfully submitted,

Liz Argo

LIST OF DOCUMENTS & EXHIBITS:

- Meeting Notice/Agenda
- 1/22/15 Letter to MaryAnn Gibbs, Dennis Accountant re: Net Metering Credit and PPA Fee Management and Exhibit A Statement of Work No. 1
- 1/30/15 Letter from Richard White, Dennis Administrator re: PV Billing Services.
- 1/22/15 Letter from Public Utility Mutual Insurance Group re: 2015 Disclosure Notice of Terrorism Insurance Coverage