

**Cape & Vineyard Electric Cooperative, Inc.  
Finance Committee & Executive Committee  
Open Session Meeting Minutes  
Thursday, July 7, 2016**

The Cape & Vineyard Electric Cooperative, Inc. Finance Committee and Executive Committee met in open session on Thursday, July 7, 2016 at 11:00 a.m. in the CVEC offices located at 23H2 White's Path, Suite 2, South Yarmouth, MA 02664.

**PRESENT for EXECUTIVE COMMITTEE WERE:**

1. Charles McLaughlin, President/Executive Committee Member/Director, Barnstable
2. Jennifer Rand, V. President/Executive Committee Member/Director, W. Tisbury - remotely by telephone
3. Leo Cakounes, Executive Committee Member/Director, Barnstable County
4. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
5. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster

**Members physically present: 4**

**Members participating remotely: 1**

**PRESENT for FINANCE COMMITTEE WERE:**

1. Charles McLaughlin, President/Executive Committee Member/Director, Barnstable
2. Steve Gavin, Director, Yarmouth
3. Leo Cakounes, Executive Committee Member/Director, Barnstable County
4. Joseph Bayne, Treasurer/Director, Eastham – remotely by telephone
5. Tim Carroll, Director, Chilmark – remotely by telephone

**Members physically present: 3**

**Members participating remotely: 2**

**STAFF PRESENT:**

Liz Argo, Manager, Programs & Administration

**1. CALL TO ORDER**

Pres. McLaughlin called the meeting to order at 11:12 a.m., noting that the agenda had been posted for 48 hours in accordance with Massachusetts Open Meeting Law at the front entry for public access to the CVEC offices as well as on the CVEC website.

**2. PUBLIC COMMENT**

There were no members of the public present.

**3. REVIEW OF CVEC FY17 BUDGET**

In accordance with instructions given to the Manager of Programs & Administration at the June 16th Full Board meeting, a revised draft budget was presented that accurately reflects costs for CVEC activities if CVEC were functioning in other than emergency status. J. Rand commented that this revised budget is the correct budget for CVEC but noted that it can only be effected if CVEC is successful in bringing in additional revenue through an additional Adder. If no revenue is forthcoming, then CVEC will be forced to operate on the approved budget with its projected annual loss of \$24,000. A discussion ensued as to what an appropriate name for this alternate budget might be.



3. C. McLaughlin, Barnstable Yes
  4. T. Carroll, Chilmark Yes (remotely)
  5. L. Cakounes, Barnstable County Yes
- Motion carried in the affirmative (5-0-0).

The Executive Committee then voted by roll call as follows:

1. C. Hanson, Brewster Yes
  2. A. Brandt, Cape Light Compact Yes
  3. J. Rand, W. Tisbury Yes (remotely)
  4. C. McLaughlin, Barnstable Yes
  5. L. Cakounes, Barnstable County Yes
- Motion carried in the affirmative (5-0-0).

Joe Bayne left the meeting at 12:28 p.m.

It was decided that further discussion on a possible reserve fund was premature at this time because the budgets are not firm enough. While the legal budget may be high in the “Realistic Budget” other costs are probably low. It was acknowledged, however, that there surely should be a legal reserve fund carved out and budgeted. Staff was instructed to add this to the next Full Board meeting agenda.

L. Argo was instructed to revise the voted budget of June 16 to reflect a recent change in the form of less income from the ISO-NE revenue stream. Staff was instructed to present this revision to the full Board at the next meeting.

**5. UPDATE ON FY15 AUDIT**

L. Argo informed the Committees that Glivinski & Associates (G&A) has still not finished reconciliations as requested by Clifton Larson and Allen (CLA). CLA awaits the return of this information that they requested in which is still being compiled by G&A.

L. Argo reported that the RFQ for auditing services has been published and sent out to the four auditing firms as requested at the June 16 Full Board meeting.

**6. UPDATE ON CVEC STAFF SALARY, COSTS, AND RETIREMENT PLAN OPTIONS**

L. Argo had a call with the CVEC’s previous Treasurer, Mark Zielinski, following M. Zielinski’s call with Jim Quirk, counsel to Barnstable County Retirement Association. M. Zielinski advises that a letter that describes CVEC’s status as a non-profit as an “other governmental entity” be posted to Jim Connarton of PERAC (Public Employee Retirement Administration Commission), Barnstable County, and Jim Quirk of Barnstable County Retirement Association. He also mentioned an appeal may be required and if so, he recommends representation by Mike Stone of Stone & Reid.

L. Argo noted to the Committees that she may reach out to Mr. Stone on her own behalf.

A conversation ensued on various aspects of CVEC having its own staff and the need for a contract to be written for L. Argo as a CVEC staff member. J. Rand was asked to lead this contract effort and L. Cakounes and C. McLaughlin offered to send samples.

In light of the decisions made on the Adder, the Committees considered whether the August 18 meeting is required for the Full Board to discuss the decisions. It is possible the September 15 Annual Meeting may be sufficient. No decision was made until further notice from the Town of Barnstable as to a meeting date. C. McLaughlin offered to follow up with Mark Ells to set a date for CVEC.

The meeting adjourned at 1:28 pm.

Respectfully submitted,

Liz Argo  
Manager, Programs & Administration

**LIST OF DOCUMENTS & EXHIBITS:**

- Meeting Notice/Agenda
- Draft Alternative FY17 Budget
- Worksheet on Round 1 Adder

**END JULY 7, 2016 MINUTES**

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**CAPE & VINEYARD ELECTRIC COOPERATIVE, INC.**

6.28.16

Add use of general legal services when needed, payroll services, on-call IT services, part-time Administrative Assistant and a Round 3 Initiative

**REVENUES**

**FY2017**

<i>PV Solar Adder Revenue (Round 2)</i>		152,746			
<i>Wind Project Administrative Adder Revenue</i>		14,322	<i>Operations to commence on July 1 for 11 months of revenue</i>		
<i>Nexamp Solar Adder Revenue</i>		4,374	<i>Operations to commence on January 8 for 6 months of revenue</i>		
<i>CVEC Consulting Services Revenue</i>		6,000			
<i>ISO-NE Income</i>		13,356			
<i>Grant/Contributions</i>		0			
<i>PV Solar Design/Engineering Support</i>		0			
<i>Grant/Contributions</i>		0			
<i>Member Fee Revenue</i>		0			
<i>Interest Income</i>		150			
<b>Total Revenues</b>		<b>190,948</b>			

Revenue
No R2 Adder
38,202

**EXPENSES**

<i>Legal - General</i>	20,000	40,000			
<i>Legal - Projects (Reserve)</i>	2,000	50,000			
<i>Filing Fees</i>		150			
<i>Staff Salary &amp; Fringes (Manager)</i>		87,753	<i>FY17 Salary</i>	<i>Fringes</i>	<i>FY16 BCRA Retirement</i>
			\$ 69,173.07	\$ 6,462.00	\$ 12,117.56
<i>Unemployment Health Insurance through Barnstable County</i>		204			
<i>Administrative Assistant Consultant (1 day/week)</i>	4,800	14,976	<i>\$36/hour</i>	<i>They will have to provide their own computer or go or</i>	
<i>Consultants (Accounting/Bookkeeper)</i>		34,800			
<i>Payroll Services</i>		840	<i>\$70/month</i>		
<i>Consultants (Peregrine Energy Group)</i>		32,950			
<i>Consultants (Megabyte Computer Consultants)(once a month)</i>	350	1,440			
<i>Network Cloud Services(Canceled Right Networks for OneDrive)</i>		100			
<i>Domain &amp; Email Hosting</i>		192			
<i>Dues (PURMA Insurance)</i>		1,200			

Insurance				14,250				
Taxes				1,296				
Supplies/Office Expenses			1,880	2,700				
Office Rental				6,000		Office space @ \$500/mnth		
Phone				1,200				
Internet				1,079				
Barnstable Admin Services w/fringes ( Payroll Procurement)			694	0				
CVEC-7 O&M				5,000				
CVEC-7 Letter of Credit				1,267				
Advertising				225				
Bank Fees for Lock Boxes(~ \$120/mnth per vendor)				2,160				
Audit Fees				10,000				
Travel			Using 2016	3,500				
Miscellaneous- Lunches, awards, professional development				2,200				
<b>Total Expenses</b>				315,482				
<b>NET INCOME/(LOSS)</b>				(124,533)		<b>Total without R2 Adder</b>		
						(277,279)		

Draft minutes subject to addition, CO,

Adder

Draft minutes subject to addition, correction and board approval

ROUND 1				
Hosts	CVEC R1		March - Feb 2016 Income	\$\$ to CVEC
	kWh			ADDER
Barnstable	5,533,120		\$ 533,613.00	
Brewster	1,523,400		\$ 128,746.00	
Chatham	2,440,320		\$ 241,646.00	
Eastham	760,920		\$ 76,126.00	
Edgartown	3,061,200		\$ 218,573.00	
Harwich	5,301,900		\$ 523,066.00	
Tisbury	1,501,440		\$ 115,938.00	

ROUND 2					
Name of PY System	Annual Prod. Estimate -EAO- (kWh)		Income	Adder	Adder per watt per year using EAO
				Actuals 6.14.16 (Spring Audit & PEG Reports)	
Barnstable Airport	6,830,790			\$ 62,926	\$ 68,308
Barnstable Fire District	1,059,241			\$ 15,007	\$ 10,592
Barnstable Senior Center	162,217			\$ 1,806	\$ 1,622
Barnstable High School	531,470			\$ 4,899	\$ 5,315
West Villages School	45,617			\$ 489	\$ 456
Bourne Community Center	38,213			\$ 435	\$ 382
Chatham Police Station	27,197				\$ 272
Chatham Town Hall Annex	27,063			\$ 592	\$ 271
West Tisbury Capped Landfill	801,200			\$ 8,664	\$ 8,012
Orleans Capped Landfill	666,890			\$ 5,018	\$ 6,669
Provincetown Transfer Station	197,559			\$ 2,232	\$ 1,976
DY Regional High School Ground Mount	815,126			\$ 10,858	\$ 12,227
DY Regional High School Roof Mount	667,518			\$ 11,060	\$ 10,013
Wilson School	499,285			\$ 8,394	\$ 7,489
ME Small School	979,487			\$ 15,134	\$ 14,692
Mattacheese School	227,223			\$ 2,459	\$ 3,408
Ezra Baker School	69,423			\$ 1,026	\$ 1,041
	13,645,519			\$ 150,999.00	\$ 152,745

	kWh	Adder	Income
Round 2	13,645,519	mix	\$ 152,746
Current with mix member/non-member			

	<b>BUDGET GOAL</b>			\$ 277,279.00	without R2 Adder
Round 1	kWh 20,122,300	Adder 0.015	Adder 0.01	\$ 201,223	Adder 0.0075 \$ 150,917
Round 2 Member only	9,328,216			\$ 93,282	
Round 2 Non-Member	4,317,303	\$ 64,760			
SubTotal R1 varies, R2 business as usual				\$ 359,265	\$ 308,959 \$ 258,653

Change R1 & R2 Adder for Members

	kWh	Adder		Adder		Adder		Adder	
Round 1	20,122,300	0.015	\$ 301,835	0.01	\$ 201,223	0.0075	\$ 150,917	0.005	\$ 100,612
Round 2 Member only	9,328,216						\$ 69,962		\$ 46,641
Round 2 Non-Member	4,317,303		\$ 64,760						
SubTotal R1 varies, R2 varies, non-member same							\$ 285,638		\$ 212,012

Change R1 & R2 Adder for NON-Members

	kWh	Adder		Adder		Adder		Adder	
Round 2 Non-Member	4,317,303	0.015	\$ 64,760	0.014	\$ 60,442				
SubTotal R1 varies, R2 varies, non-member same						\$ 281,321			

Draft minutes subject to addition, correction and