

Cape & Vineyard Electric Cooperative, Inc.
Executive Committee
Open Session Meeting Minutes
Thursday, April 20, 2017

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee met in open session on Thursday, April 20, 2017, at 11:53 a.m. at the Cape & Vineyard Cooperative, Inc. Office, 23H2 White's Path, Ste. 2, S. Yarmouth, Mass.

PRESENT WERE:

1. Leo Cakounes, President, Executive Committee Member/Finance Committee/Director, Barnstable County
2. Jennifer Rand, V. President/Executive Committee Member/Director by phone
3. Charles McLaughlin, Executive Committee Member/ Finance Committee/Director, Barnstable
4. Austin Brandt, Executive Committee Member/Director, Cape Light Compact

ABSENT WAS:

5. Joseph Bayne, Treasurer/Finance Committee/Director, Eastham

Executive Committee Members physically present: 3

Executive Committees participating remotely: 1

STAFF PRESENT:

Liz Argo, Manager Programs & Administration
Karen Loura, Administrative Assistant

1. CALL TO ORDER

Pres. Cakounes called the meeting to order at 11:53 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on 4/18/17 @ 9:40 a.m.

2. PUBLIC COMMENT

There were no members of the public present.

3. CONSIDERATION OF MEETING MINUTES

The Executive Committee considered the joint Executive Committee & Finance Committee January 17, 2017 Open Session Meeting Minutes which were previously approved by the Finance Committee on February 16, 2017. A. Brandt requested the utility, Eversource be spelled-out vs "E-Source" and to change "I" to Liz Argo both changes to the bottom of Page 2. By agreement. C. McLaughlin moved the Executive Committee vote to accept the meeting minutes as amended, seconded by A. Brandt and voted by roll call vote as follows:

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|----------------------------------|-----|-----------------------------------|-----|
| 1. C. McLaughlin, Barnstable | Yes | 3. L. Cakounes, Barnstable County | Yes |
| 2. A. Brandt, Cape Light Compact | Yes | 4. J. Rand, West Tisbury | Yes |

Consideration of the February 16, 2017 Finance Committee Meeting Minutes was tabled to a meeting with a quorum of the Finance Committee. Minutes have been posted in Draft form.

4. EDGARTOWN AGREEMENTS AND ADDER STATUS

L. Argo reported receipt of Memorandums of Agreement from Oak Bluffs and Dukes County and an email from Tisbury indicating their approval. J. Rand reported no update on questions about the Real Estate Tax Bills from Edgartown. W. Tisbury completed Town Meeting last week. She requested the Tax Bill be paid and she will follow-up with Edgartown to obtain clarification. By agreement.

5. TREASURER'S REPORT

a. March Financials

In the absence of J. Bayne, Treasurer, L. Argo provided an overview of the March 31, 2017 Financial Report dated 4/14/17. The Committee reviewed reports entitled Balance Sheet Prior Year Comparison as of March 31, 2017 dated 4/14/17; Income & Expenditure Budget vs. Actual – Administrative (July, 2016-March, 2017) dated 4/14/17; A/R Aging Summary as of March 31, 2017 and A/P Aging Summary as of March 31, 2017. It was noted 3 school PV project bills are managed by David Anthony, Barnstable Procurement Officer and the Barnstable Airport & Senior Center arrays are managed by Richard Elrick, Barnstable Energy Coordinator.

b. FY18 Budget

The Committee reviewed the proposed FY18 Operating Budget.

- There was discussion about including the Round II 5% degradation factor. It was agreed the .05% annual degradation factor can be an adjustment to the FY17 Actual Budget amount and to leave appropriation at \$150,000 for FY18.
- It was noted the \$2,187 FY18 Revenue from the Nexamp Dartmouth Farms Solar Adder represents 3 month's income in FY18 due to delays in interconnection.
- It was noted a full year's revenue is anticipated from Syncarpha Freetown Solar Agreement.
- CVEC currently provides accounting support to the Towns of Dennis and Provincetown. C. McLaughlin urged seizing potential opportunities to market CVEC's accounting services to participants.
- L. Argo read an excerpt from Bill Cratty, C-Power, adjusting project revenue upward due to the increase in the Capacity Price from 3.15 to 7.025 for participation in the ISO NE Agreement. The Capacity year is 6/1/17-5/31/18. It was agreed to request an analysis and breakdown supporting increase in revenue. The Committee is comfortable with \$13,400 ISO NE budget or possibly a more conservative amount of \$12,000.
- Pres. Cakounes noted much of the Legal Budget may be expended exploring CVEC's ability to engage with non-governmental entities.
- The proposed budget has not yet been provided to members.
- There was discussion about review of Public Utilities Risk Management Association (PURMA) coverages to eliminate premium for duplicity of coverage which may already be provided for Directors by their Town's policies. C. McLaughlin offered to review in an effort to reduce the expense to CVEC. A. Brandt reported that the Cape Light Compact Governing Board members are covered in their duties by both their towns insurance and by Cape Light Compact's policy.
- C. McLaughlin requested a copy of the lease executed with Rental Agent for office space.
- There was discussion about the cost of CVEC's Letter of Credit issued to ConEdison Solutions for the CVEC7 PV project administration. The value of the Letter has been \$100,000 but per contract would be more in accordance with actual installed kW of name plate rating. Cape Light Compact is working with ConEdison seeking to obtain adjustment.
- Pres. Cakounes offered to reformat the draft budget to show a balanced budget.

The Board agreed to present the amended draft FY18 Budget to the Board of Directors on May 18th, 2017.

c. Renewal of Glivinski & Associates Contract

C. McLaughlin moved the Committee vote to renew the accounting/bookkeeping services Contract with Glivinski & Associates not to exceed \$35,000, seconded by A. Brandt and voted by roll call vote as follows:

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|---|------------|--|------------|
| <i>1. C. McLaughlin, Barnstable</i> | <i>Yes</i> | <i>3. L. Cakounes, Barnstable County</i> | <i>Yes</i> |
| <i>2. A. Brandt, Cape Light Compact</i> | <i>Yes</i> | <i>4. J. Rand, W. Tisbury</i> | <i>Yes</i> |

6. UPDATE ON SEARCH FOR GENERAL LEGAL COUNSEL SERVICES

Three proposals were received in response to the RFP issued seeking general legal services. Robert Troy provided the best rate of \$215/hour, followed by Atty. Mannal @ \$250/hour and Bruce Beirhans @ \$290/hour. Pres. Cakounes expressed his satisfaction of R. Troy’s competency and willingness to defer to specialists if needed. He is comfortable to retain R. Troy. C. McLaughlin agreed, adding he is very comfortable with Atty. Troy. The Board of Directors have authorized the Executive Committee to seek and secure general legal services. *C. McLaughlin moved the Committee vote to appoint Atty. Robert Troy as general legal counsel for CVEC, seconded by A. Brandt and voted by roll call vote as follows*

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|------------------------------|-----|-----------------------------------|-----|
| 1. J. Rand, West Tisbury | Yes | 3. A. Brandt, Cape Light Compact | Yes |
| 2. C. McLaughlin, Barnstable | Yes | 4. L. Cakounes, Barnstable County | Yes |

7. CVEC PV INITIATIVE ROUND III UNDER SREC II EXTENSION & UPDATE ON SMART PROGRAM

L. Argo reported on her attendance at a conference held in Rhode Island hosted by the Environmental Business Council. The conference had vendors and Sustainable Energy Advocates as presenters. Delays with and questions around the SMART Energy Program leaves options limited to SREC II Extension participation at this time. Advisors and developers recommended the pursuit of renewable energy projects now as incentives will decrease over time.

The Committee reviewed a draft of CVEC Round III roof-mounted PV behind the meter proposed projects compiled based upon input from members. There was discussion about the potential for Monomoy High School with a leaking roof and possibility of locating PV panels in unaffected area of the roof. C. McLaughlin thought the roof contractor may be involved to provide penetration for panels.

With 9 participant projects, each would pay upfront legal fees plus 10% CVEC Administration costs of approximately \$15,000 per project. CVEC would also collect \$0.005/per kWh as an adder for ongoing project management.

J. Rand recessed at 1:15 p.m.

There was agreement among the Committee to move forward with the proposed Round III Roof Mounted project.

L. Argo reported on an opportunity at a capped landfill in Oak Bluffs abutting a waste-water treatment facility. The landfill is ready for a PV System and the Town wants to pursue a battery back-up to power the treatment facility.

8. NET METERING CREDIT POWER SALES AGREEMENT – NAUSET SCHOOLS & TOWN OF WELLFLEET

To meet Net Metering Credit sales requests, Nexamp & Syncarpha will report opportunities for Net Metering Credit sales opportunities to L. Argo.

9. MANAGER’S UPDATE

a. Battery Grant Project

CVEC will construct the RFP to eliminate funding complexity and seek a developer to take full responsibility. Pres. Cakounes reported on a meeting with the Cape Cod 5 for bridge financing and L. Argo reported they have spoken to vendors who could finance the project.

L. Argo reported on a renewable energy generation process involving moving water when energy is cheap to an upper tier balloon which, when released and the pressure fills the bottom tier balloon, it would turn turbines

creating energy for sale when prices are higher. Pres. Cakounes said this technology would be ideal for abandoned cranberry bogs utilizing gravity to generate electricity. L. Argo will provide the vendor's contact information.

b. Barnstable Fire District Tax Payment/Reimbursement

No update. The matter may require Special Legislation to resolve.

J. Rand returned to the meeting by phone at 1:25 p.m.

c. Nexamp Solar, Future Generation Wind and Marie's Way Solar.

No change in update from last update

10. STRATEGY SESSION

Pres. Cakounes requested interested members of the Executive & Finance Committees and Board of Directors schedule a session lasting a couple of hours for the exclusive purpose of discussing strategy. Because of the length of typical agendas, there is not ever enough time to devote to the subject. The topic will be on next Board agenda and proposed dates and venues will be provided.

11. DISCUSSION ON SEEKING LEGAL ADVICE TO DETERMINE LEGITIMACY OF CVEC'S COMMERCIAL ENTERPRISES WITH MEMBER BENEFIT.

Pres. Cakounes proposed meeting with general legal counsel to determine possibility of CVEC working with commercial/private entities as off-takers of renewable energy projects. He would like to have CVEC in position to act should an opportunity arise. BCK Law estimated a legal expense of \$3000-\$4000 to answer the CVEC Tax Status in such a scenario.

12. COMMUNITY EMPOWERMENT LEGISLATION

The Committee reviewed a summary of the Community Empowerment Act proposed legislation. Community Empowerment has been proposed by Vineyard Power and Vineyard Wind (formerly Offshore Wind). They seek to provide pricing to Towns to directly purchase Renewable Energy through earmarked contributions from the capacity collections by the utility. A. Brandt reported they presented to Cape Light Compact and the Compact agreed it is a matter between the offer and the various towns. The Committee discussed Vineyard Power's structure and status and proposed legislation. There was discussion about inviting Vineyard Power to present to CVEC in an effort to learn more about their role in light of CVEC's ability to re-distribute Net Metering Credits and ability to aid smaller Towns to manage and administer renewable energy projects and benefits.

There was discussion about CVEC's ability to become an off-taker of significant energy to be re-distributed to an expanded membership.

There was discussion about CVEC participating in the Mass. Municipal Association Meeting. The cost is \$1,500 and CVEC may seek a speaker invitation. The Committee agreed to reach out to MMA.

13. APPEAL TO PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION (PERAC)

The Committee discussed the decision of PERAC (Public Employee Risk Association Committee) that CVEC staff does not qualify to participate in the Barnstable County Retirement Association (BCRA). Cape Light Compact employees who are also moving out from under Barnstable County Fiscal & Administrative oversight, have received approval to morph into Joint Power Entity status as a body politic. Pres. Cakounes said it is

ironic that CLC qualifies for participation in the retirement system but CVEC does not. He wishes CVEC pursue an appeal to the decision or to recapture deposits already made to BCRA.

14. CVEC PARTICIPATION IN ONECAPE

Pres. Cakounes reported the Cape Cod Commission hosts an annual 2-day event which CVEC should be a part of. He has asked for an opportunity for CVEC to present at the event as well as host a booth.

PRESIDENT'S REPORT

Pres. Cakounes reported on a meeting with Clean Focus relative to this year's weed and tall grass issues at their PV sites. He said they have developed an alternative process to manage the growth. In addition, he has met with town staff relative to access issues. He has arranged for local contact relative to maintenance access issues at PV installations. He reported an erosion issue was not as bad as anticipated but Clean Focus went above and beyond measures to resolve.

The Executive Committee adjourned at 1:58 p.m.

Respectfully submitted,
Karen E. Loura
Administrative Assistant

LIST OF DOCUMENTS & EXHIBITS

- April 20, 2017 Meeting Notice/Agenda
- Draft January 17, 2017 Executive & Finance Committees Meeting Minutes
- Draft February 16, 2017 Finance Committee Meeting Minutes
- CVEC Financials prepared April 14, 2017