

**Cape & Vineyard Electric Cooperative, Inc.**  
**Board of Directors**  
**Open Session Meeting Minutes - Thursday, May 18, 2017**

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in open session on Thursday, May 18, 2017 at 9:30 a.m. in the Innovation Room, Open Cape Building, 3195 Main Street, Barnstable, Mass.

**PRESENT WERE:**

1. Leo Cakounes, President, Executive Committee Member/Director, Barnstable County
2. Charles McLaughlin, Esq., Executive Committee Member/Director, Barnstable at 10:15 a.m.
3. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
4. Joseph Bayne, Treasurer/Director, Eastham
5. John Scott, Director, Chatham
6. Lee-Gray Boze, Director, Falmouth
7. Lawrence Cole, Director, Harwich
8. Richard Toole, Director, Oak Bluffs (Remotely by telephone)
9. Robert Hannemann, Director, Chilmark (Remotely by telephone)
10. Ronald Collins, Director, Orleans
11. Lydia Hamnquist, Director, Provincetown
12. Steve Gavin, Director, Yarmouth

**ABSENT WERE:**

13. Jennifer Rand, V. President/Executive Committee Member/Director
14. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
15. Greg Rounseville, Director, Dennis
16. John Alley, Director, Dukes County
17. Bourne - Vacant
18. Edgartown – Vacant
19. Sandwich – Vacant
20. William Straw, Director, Tisbury

**STAFF PRESENT**

Liz Argo, Manager Programs & Administration

Karen Loura, Administrative Assistant

**PUBLIC PRESENT**

None

**1. CALL TO ORDER**

Pres. Cakounes called the meeting to order at 9:43 am and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on May 16, 2017 at 8:55 am.

**2. PUBLIC COMMENT**

There were no public comments.

**3. CONSIDERATION OF MEETING MINUTES**

The Board considered the January 19, 2017 & March 23, 2017 Board of Directors' Open Session Minutes. *L. Cole moved the Board vote to accept the January 19, 2017 Meeting Minutes as presented, seconded by J. Bayne.* S. Gavin requested the words "to attend the Dennis/Yarmouth High School Battery Back-up site

meeting” be added to the end of the first line on page 4 so that the sentence will read: Steve Gavin, Sandy Cashen, Stephan Wollenburg, Scott Reynolds and Sean O’Brien left the meeting at 11:40 am to attend the Dennis/Yarmouth High School Battery Back-up site meeting. *By agreement, the Board then voted by roll call as follows:*

- |                               |     |                                   |           |
|-------------------------------|-----|-----------------------------------|-----------|
| 1. J. Bayne, Eastham          | Yes | 7. C. Hanson, Brewster            | Abstained |
| 2. L. Cole, Harwich           | Yes | 8. R. Collins, Orleans            | Yes       |
| 3. J. Scott, Chatham          | Yes | 9. L. Cakounes, Barnstable County | Yes       |
| 4. L. Hamnquist, Provincetown | Yes | 10. R Toole, Oak Bluffs           | Yes       |
| 5. L. Boze, Falmouth          | Yes | 11. R. Hannemann, Chilmark        | Yes       |
| 6. S. Gavin, Yarmouth         | Yes |                                   |           |

*Motion carried in the affirmative (10-0-1).*

Pres. Cakounes corrected the agenda that the minutes labeled February 23<sup>rd</sup> are actually meeting minutes of March 23, 2017 and the Board may take action on them. *J. Scott moved the Board vote to accept the March 23, 2017 meeting minutes, seconded by R. Collins.* R. Collins offered a correction on page 3, paragraph 4, sentence 7 to change the second “contribution” to “reimbursement” so that the sentence will read: “L. Cole prefers contribution if expenses are not CVEC responsibility as ~~contribution~~ “reimbursement” suggests CVEC is somehow liable.’ *By agreement. The Board then voted by roll call as follows:*

- |                               |           |                                   |           |
|-------------------------------|-----------|-----------------------------------|-----------|
| 1. J. Bayne, Eastham          | Yes       | 7. C. Hanson, Brewster            | Abstained |
| 2. L. Cole, Harwich           | Yes       | 8. R. Collins, Orleans            | Yes       |
| 3. J. Scott, Chatham          | Yes       | 9. L. Cakounes, Barnstable County | Yes       |
| 4. L. Hamnquist, Provincetown | Yes       | 10. R Toole, Oak Bluffs           | Yes       |
| 5. L. Boze, Falmouth          | Abstained | 11. R. Hannemann, Chilmark        | Abstained |
| 6. S. Gavin, Yarmouth         | Yes       |                                   |           |

*Motion carried in the affirmative (8-0-3).*

April 20, 2017 Meeting Minutes were not available for consideration and were tabled to the next meeting.

**4. TREASURER’S REPORT**

J. Bayne presented the Financial Position Dashboard, Balance Sheet Prior Year Comparison, Income & Expenditure Budget vs. Actual-Administrative, A/R & A/P Aging Summaries as of April 30, 2017. The Board discussed the reason for the short fall within the budget being caused by the Round II adder revenues being behind. L. Argo reported production through March is about 96% compared to last year. She said 2016 is the only complete history available. She said the Guaranteed Annual Output (GAO) is being met. The GAO is 20% lower than the Estimated Annual Output (EAO). Production at Airport decreased because Eversource took the Airport off-line for some time.

There was discussion about significant outstanding overdue receivables from some participants. This is in part due to lateness of receipt of invoices. The policy to net payables with receivables for offtakers is working effectively.

There was discussion about requesting invoices be sent timely, especially toward the end of the fiscal year. L. Argo gets requests for encumbrances towards the end of each fiscal year. L. Cole thought in some cases payments may be late when awaiting tax reimbursement and overlapping of cycles.

## **5. FY18 BUDGET**

The Board reviewed the updated draft FY18 Budget which was adjusted to net zero (0). C. Hanson noted the ISO NE Income is subject to annual requalification by Purchase Order with CPower. The budgeted amount of \$12,000 income is being kept modest but greater revenue is anticipated based upon market data. There was discussion about projected income from PV Round II.

*At 10:15 a.m. C. McLaughlin arrived to the meeting.*

L. Argo announced Lydia Hamnquist has been appointed by the town of Provincetown to position of CVEC Director.

There was discussion about PV Round III Roof-top revenue projections.

J. Bayne said the Community Clean Energy Resiliency Initiative Grant had not been appropriated in the budget previously because there remains a need of \$80,000 - \$85,000 matching funds. He requested the Board's direction whether it should be included. C. McLaughlin said he would not support inclusion in the budget unless the matching funds were borrowed. Pres. Cakounes agreed, adding there may be other opportunities where the vendor is willing to financially front load the project or if the grantor could issue disbursement payments at 4 stages. C. McLaughlin urged the Board seek the opinion of Atty. Troy as to the legality of seeking a front-loading vendor as it may preclude participation by smaller vendors. He said he would prefer the Board seek any loan needed from banks.

Pres. Cakounes urged identification of anticipated expenses more generically. (i.e. Special Project Fund vs. Matching for Community Clean Energy Resilience Grant).

J. Bayne said \$15,000 was added as a placeholder for development of a data upload program. He said he aimed to include possible expenditures within the proposed budget.

Administration expenses were inadvertently left out of the budget and adjustments will be made to include them in the final draft.

There was discussion about the one-time payment to Edgartown toward overage expenses. R. Hannemann said he is not in favor of the payment. C. McLaughlin said he continues to have reservations and will not support any payment without a legal opinion and he reviewed the discussion from the March 23, 2017 meeting. L. Argo said a meeting with Atty. Troy has been scheduled for Wednesday, 5/24/17. It was noted that the Board was silent on "all or none" during the second appeal for an adder. L. Cole asked if Edgartown does not agree to pay an adder would CVEC disassociate itself with their project. He said once a legal opinion is received, CVEC would communicate the contribution given to Edgartown to other member towns. *L. Cole moved the Board vote to forward remaining budget adjustments to the Executive Committee for them to formalize the final budget, seconded by C. Hanson. C. McLaughlin requested "or Finance Committee" be added. L. Cole and C. Hanson agreed to the amendment. The Board then voted by roll call as follows:*

- |                               |     |                                    |     |
|-------------------------------|-----|------------------------------------|-----|
| 1. C. McLaughlin, Barnstable  | Yes | 7. S. Gavin, Yarmouth              | Yes |
| 2. J. Bayne, Eastham          | Yes | 8. C. Hanson, Brewster             | Yes |
| 3. L. Cole, Harwich           | Yes | 9. R. Collins, Orleans             | Yes |
| 4. J. Scott, Chatham          | Yes | 10. L. Cakounes, Barnstable County | Yes |
| 5. L. Hamnquist, Provincetown | Yes | 11. R Toole, Oak Bluffs            | Yes |
| 6. L. Boze, Falmouth          | Yes | 12. R. Hannemann, Chilmark         | Yes |

*Motion carried in the affirmative (12-0-0).*

## **6. CHIEF PROCUREMENT OFFICER**

The Board explored possible available individuals or entities to serve in the capacity of Chief Procurement Officer (CPO) to CVEC. L. Argo said CVEC will need this position to participate in the Battery Back-up Project. J. Bayne urged the Board to begin to shift his responsibilities to others as he will be retiring next term. Barnstable County may offer CPO services for a fee. Atty. Troy may serve as official CPO to sign RFP and

contracts. J. Bayne said there are individuals who are certified to provide CPO services. R. Collins said he has taken construction related CPO courses. The Board agreed to appoint R. Collins to be CPO point person for the Board.

**7. CLIFTON LARSON ALLEN AUDITING SERVICES ENGAGEMENT LETTER**

The Board then reviewed the Clifton Larson Allen Engagement Letter for FY17 Audit Services in the amount of \$15,400. *L. Cole moved the Board vote to approve Clifton Larson Allen for FY17, seconded by J. Bayne and voted by roll call as follows:*

- |                                      |            |   |            |
|--------------------------------------|------------|---|------------|
| 1. <i>C. McLaughlin, Barnstable</i>  | <i>Yes</i> | 7. <i>S. Gavin, Yarmouth</i>              | <i>Yes</i> |
| 2. <i>J. Bayne, Eastham</i>          | <i>Yes</i> | 8. <i>C. Hanson, Brewster</i>             | <i>Yes</i> |
| 3. <i>L. Cole, Harwich</i>           | <i>Yes</i> | 9. <i>R. Collins, Orleans</i>             | <i>Yes</i> |
| 4. <i>J. Scott, Chatham</i>          | <i>Yes</i> | 10. <i>L. Cakounes, Barnstable County</i> | <i>Yes</i> |
| 5. <i>L. Hamnquist, Provincetown</i> | <i>Yes</i> | 11. <i>R Toole, Oak Bluffs</i>            | <i>Yes</i> |
| 6. <i>L. Boze, Falmouth</i>          | <i>Yes</i> | 12. <i>R. Hannemann, Chilmark</i>         | <i>Yes</i> |

*Motion carried in the affirmative (12-0-0).*

**8. MARIE’S WAY (SYNCARPHA), NEXAMP & FUTURE GENERATION WIND UPDATE**

- Marie’s Way: Orleans is the host town and Centerville, Osterville & Marstons Mills (COMM) Fire District and Cotuit Water are off-takers in the Syncarpha Project. There are preliminary discussions about taking additional Net Metering Credits for the Town of Wellfleet and the Nauset School system with an identical arrangement.
- The Nexamp PV system is complete and awaiting Eversource interconnection. Revenue not expected until towards the end of the year.
- Future Generation Wind’s (FGW) four wind turbines are up and running and CVEC is receiving regular payments. Although a newspaper reported a Barnstable Superior Court Judge’s opinion that the turbines at issue did not present a nuisance, the matter is not settled. The Bourne Board of Health has attempted to claim adversity against FGW but the judgement was that Bourne has no jurisdiction. However, if declared a nuisance, Bourne’s claims could be re-opened. L. Argo reported extraordinary output in March with lower output in May. She said output is inconsistent, which is normal for wind production.

**9. ROUND III UPDATE**

**a. Anderson Krieger LLP Legal Services Agreement**

L. Argo reported she solicited pricing from BCK Law and Anderson Krieger to manage Round III Legal needs. She said Anderson Krieger was \$100,000 lower. Their Legal Services Agreement contains charges of \$300/hour with no cap. CVEC could impose a cap if wanted. The Board discussed capping. It was agreed no cap was necessary and if Towns are exceeding expected needs, CVEC could approach them. These expenses would pass through to participants who will fund legal fees in Round III. C. McLaughlin reported Kevin Batt of Anderson Krieger is known to him and served as Counsel to Barnstable during Round I, Broadway Bankruptcy and others. He said K. Batt is very knowledgeable and he is quite comfortable having him work with CVEC on Round III. He said he also represented Barnstable in a dispute with Barnstable County Fire Training Academy pollution matter.

**b. Special Municipal Employee Designation – Kevin Batt, Esq.**

There was discussion about providing Special Municipal Employee status to K. Batt to enable him to continue representing other entities while representing CVEC. C. McLaughlin said the designation requires a recorded vote by the Board. In the interest of full disclosure, C. McLaughlin said K. Batt may perhaps be involved at the Martha’s Vineyard County project or with the Town of Barnstable. Pres. Cakounes asked if a list of clients should be requested. L. Argo read a letter from Atty. Kevin Batt dated May 10, 2017 in which a list was disclosed. *J. Bayne moved the Board vote to engage Anderson Krieger LLP as Special Legal Counsel representing CVEC’s Round III PV Initiative, seconded by C. McLaughlin and voted by roll call as follows:*

- |                               |        |                                    |     |
|-------------------------------|--------|------------------------------------|-----|
| 1. C. McLaughlin, Barnstable  | Yes    | 7. S. Gavin, Yarmouth              | Yes |
| 2. J. Bayne, Eastham          | Yes    | 8. C. Hanson, Brewster             | Yes |
| 3. L. Cole, Harwich           | Yes    | 9. R. Collins, Orleans             | Yes |
| 4. J. Scott, Chatham          | Yes    | 10. L. Cakounes, Barnstable County | Yes |
| 5. L. Hamnquist, Provincetown | Yes    | 11. R Toole, Oak Bluffs            | Yes |
| 6. L. Boze, Falmouth          | Absent | 12. R. Hannemann, Chilmark         | Yes |

*Motion carried in the affirmative (11-0-0-1 absent).*

*C. McLaughlin moved the Board vote that Kevin Batt, Attorney at Anderson Krieger Law Firm be designated as CVEC Special Municipal Employee, seconded by C. Hanson and voted by roll call as follows:*

- |                               |        |                                    |     |
|-------------------------------|--------|------------------------------------|-----|
| 1. C. McLaughlin, Barnstable  | Yes    | 7. S. Gavin, Yarmouth              | Yes |
| 2. J. Bayne, Eastham          | Yes    | 8. C. Hanson, Brewster             | Yes |
| 3. L. Cole, Harwich           | Yes    | 9. R. Collins, Orleans             | Yes |
| 4. J. Scott, Chatham          | Yes    | 10. L. Cakounes, Barnstable County | Yes |
| 5. L. Hamnquist, Provincetown | Yes    | 11. R Toole, Oak Bluffs            | Yes |
| 6. L. Boze, Falmouth          | Absent | 12. R. Hannemann, Chilmark         | Yes |

*Motion carried in the affirmative (11-0-0-1 absent).*

**10. WELLFLEET & NAUSET SCHOOLS NET METERING CREDIT PURCHASE**

L. Argo said she would like to begin negotiating with Syncarpha to assist Wellfleet and Nauset Schools in purchasing Net Metering Credits. 1.8 million kWh would provide \$18,000 in revenue to CVEC. The Board agreed that L. Argo should continue negotiations.

**11. LAKE STREET DEVELOPMENT PV PROJECT – BARNSTABLE**

Lake Street Development is seeking a host for their Barnstable Project. L. Argo reported the developer will compensate CVEC \$15,000 to help identify a host entity. There was discussion about Barnstable Fire District (BFD) hosting the generation. C. McLaughlin said he would only support BFD if they sign acknowledging their responsibility in the personal property tax situation. The income to CVEC would offset losses on the Personal Property Taxes not reimbursed by the BFD. The Board also considered Eastham, Barnstable County and Edgartown. There was discussion about the BFD/Barnstable/CVEC/Marina Energy Personal Property Tax reimbursement issue and the need for special legislation to exempt these systems from taxes. *S. Gavin moved the Board vote to further investigate the Lake Street Development PV Project opportunity and offer the project to our members with the Executive Committee choosing a beneficiary and entering into any necessary agreements, seconded by C. Hanson and voted by roll call vote as follows:*

- |                              |        |                                    |     |
|------------------------------|--------|------------------------------------|-----|
| 1. C. McLaughlin, Barnstable | Yes    | 7. S. Gavin, Yarmouth              | Yes |
| 2. J. Bayne, Eastham         | Yes    | 8. C. Hanson, Brewster             | Yes |
| 3. L. Cole, Harwich          | Absent | 9. R. Collins, Orleans             | Yes |
| 4. J. Scott, Chatham         | Yes    | 10. L. Cakounes, Barnstable County | Yes |

- |                               |     |                            |     |
|-------------------------------|-----|----------------------------|-----|
| 5. L. Hamnquist, Provincetown | Yes | 11. R Toole, Oak Bluffs    | Yes |
| 6. L. Boze, Falmouth          | Yes | 12. R. Hannemann, Chilmark | Yes |
- Motion carried in the affirmative (11-0-0-1 absent).*

**12. COMMUNITY CLEAN ENERGY RESILIENCY INITIATIVE GRANT – Tabled**

**13. GENERAL LEGAL COUNSEL UPDATE**

Troy Wall Associates was the low bidder and determined to have sufficient background in Municipal Law and has been hired to serve as General Legal Counsel to CVEC.

**14. CONEDISON SOLUTIONS CVEC 7 PV PROJECTS CONTRACT TERMINATIONS – 2024**

The Board discussed planning for the expiration of contracts covering the 7 roof-mounted PV Installations developed between CVEC & ConEdison Solutions. ConEdison Solutions currently manages the systems. There was discussion about CVEC purchasing the systems. There was discussion about CVEC selling its interest. There was discussion about the practice of selling the Solar Renewable Energy Certificates (SRECS) from these projects to Cape Light Compact. L. Argo agreed to prepare a proforma for review at the August Board Meeting.

**15. STRATEGIC PLANNING & FUTURE PROJECTS WORKSHOP**

L. Argo proposed 5/25/17, 6/1/16 or 8/3/17 dates occurring prior to the Board of Directors Annual Meeting of September 21<sup>st</sup> to conduct a Future Projects and Planning workshop. It was agreed Pres. Cakounes will work with L. Argo to arrange the workshop.

**16. FY 18 CVEC BOARD OF DIRECTORS MEETING SCHEDULE - no action**

**17. MANAGER’S REPORT – no report**

**18. DIRECTORS’ REPORTS**

- Pres. Cakounes invited members to attend his annual party taking place at his farm on June 24<sup>th</sup>.
- Pres. Cakounes reported he believes Clean Focus has a good handle on its mowing program to be applied this upcoming season at the several PV System sites.
- C. McLaughlin reported the Town of Barnstable is moving forward with a Solar Carport RFP using straight lease agreements. Barnstable proposes two 800-space systems. One at the Airport and one at the High School. Special Town Meeting approval will be required for Towns interested in participating. He asked members to contact him if their Towns are interested in joining the RFP. The Town of Brewster has voted approval of inter-municipal agreements for carports. Falmouth Hockey Rink, Spalding Rehabilitation Hospital and Cape Cod Community have Solar Carports. L. Argo suggested communicating with members and indicating that if they already have the required Town Meeting Vote, they can move quickly. She said participation would not impact NM caps.

The members congratulated Lee-Gray Boze on the birth of his new daughter born in March.

The Board adjourned at 12:09 p.m.

Respectfully submitted,  
Karen Loura  
Administrative Assistant

**LIST OF DOCUMENTS & EXHIBITS:**

- Meeting Notice/Agenda
- January 19, 2016 Meeting Minutes
- March 23, 2017 Meeting Minutes
- Financial Position Dashboard, Balance Sheet Prior Year Comparison, Income & Expenditure Budget vs. Actual-Administrative, A/R & A/P Aging Summaries as of April 30, 2017
- Draft FY18 Budget