

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors
Open Session Meeting Minutes - Thursday, January 25, 2018

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in open session on Thursday, January 25, 2018 at 9:30 a.m. in the Cape Light Conference Room, 261 Whites Path, Unit 4 South Yarmouth, MA 02664

PRESENT WERE:

1. Leo Cakounes, President, Executive Committee Member/Director, Barnstable County
2. Jennifer Rand, V. President/Executive Committee Member/Director
3. Charles McLaughlin, Esq., Executive Committee Member/Director, Barnstable
4. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
5. Joseph Bayne, Treasurer/Director, Eastham
6. Greg Rounseville, Director, Dennis
7. Lawrence Cole, Director, Harwich
8. John Scott, Director, Chatham
9. Kirk Metell, Director, Tisbury - by phone
10. Richard Toole, Director, Oak Bluffs - by phone @ 10:35 am
11. Ronald Collins, Director, Orleans.
12. Steve Gavin, Director, Yarmouth

ABSENT WERE:

13. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
14. Robert Hannemann, Director, Chilmark
15. Lee Gray-Boze, Director, Falmouth
16. Lydia Hamnquist, Director, Provincetown
17. Bourne - Vacant
18. John Alley, Director, Dukes County
19. Edgartown – Vacant
20. Sandwich – Vacant

STAFF PRESENT

Liz Argo, Manager

PUBLIC PRESENT

None

1. CALL TO ORDER

Pres. Cakounes called the meeting to order at 9:45 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on January 22, 2018 at 1:15 p.m.

2. PUBLIC COMMENT

There were no public comments.

3. CONSIDERATION OF MEETING MINUTES

The Board considered the November 9, 2017 Board of Directors' Meeting Minutes. A typo was noted. *J. Rand then moved the Board accept the November 9, 2017 Meeting Minutes as corrected, seconded by S. Gavin and voted by roll call as follows:*

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|--------------------------------|-----|------------------------------------|-----|
| 1. K. Metell, Tisbury | Yes | 7. L. Cole, Director, Harwich | Yes |
| 2. G. Rounseville, Dennis | Yes | 8. J. Rand, W. Tisbury | Yes |
| 3. J. Bayne, Eastham | Yes | 9. S. Gavin, Yarmouth | Yes |
| 4. C. Hanson, Brewster | Yes | 10. L. Cakounes, Barnstable County | Yes |
| 5. J. Scott, Director, Chatham | Yes | | |
| 6. C. McLaughlin, Barnstable | Yes | | |

Motion carried in the affirmative (10-0-0)

4. FINANCIAL REPORT

J. Bayne reported that the cash level was up. It was discussed that a search for an assistant office administrator was ongoing. L. Argo noted that the cost will double what is in the budget for a assistant administrator. C. McLaughlin asked if a review of going with a temp agency had been undertaken? G. Rounseville asked what pay level per hour was being considered. L Argo responded that K. Loura had been getting \$15 an hour. In a recent job interview, however, the number \$22 an hour came out. C. Hanson asked if insurance would have to be provided. L Argo answered no, insurance would not be required. L. Cakounes noted that it is definitely time to get help for the administrative work. S Gavin asked if moving offices into the Cape Light Compact space would alleviate the necessity to hire as we could possibly share their help. L Cakounes noted that office rent is quite inexpensive where CVEC is now located and that any services provided by the Cape Light Compact would not be free. However, he offered to look into it.

Jennifer Cook arrived at 9:55 am

5. PRESENTATION BY JENNIFER COOK OF CLIFTON LARSEN ALLEN ON THE FIRM’S FY17 AUDIT FOR CVEC

Jennifer Cook from Clifton Larson Allen was introduced to the board. The presentation that she brought was passed around and she proceeded to go over it. Typos were noted on pages four and seven.

Ronald Collins arrived at 10:03 am.

C. McLaughlin noted that the financial committee needs to understand that the end of the Round 1 Adder in 2020 will need to be prepared for.

Moncrieff Cochran arrived at 10: 19 am. Introductions were made.

C McLaughlin voiced concerns over CVEC’s policies that govern its banking processes. He offered Deborah Blanchet – Watson’s expertise to the financial committee.

6. VOTE TO ACCEPT FY17 AUDIT

It was moved by J Bayne and seconded by C McLaughlin that the FY audit be accepted.

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|--------------------------------|-----|------------------------------------|-----|
| 1. K. Metell, Tisbury | Yes | 7. L. Cole, Director, Harwich | Yes |
| 2. G. Rounseville, Dennis | Yes | 8. J. Rand, W. Tisbury | Yes |
| 3. J. Bayne, Eastham | Yes | 9. S. Gavin, Yarmouth | Yes |
| 4. C. Hanson, Brewster | Yes | 10. L. Cakounes, Barnstable County | Yes |
| 5. J. Scott, Director, Chatham | Yes | 11. R. Collins, Orleans | Yes |
| 6. C. McLaughlin, Barnstable | Yes | | |

The vote was unanimous by roll call in the affirmative (11-0-0)

Jennifer Cook left at 10:22 am.

7. UPDATE ON ROUND 1 ADDER AND DISCUSSION ON EDGARTOWN RESPONSE

The vote by the Board of Selectmen from the town of Edgartown indicating their unwillingness to provide a Round One Adder extension was discussed.

8. DISCUSSION ON BYLAW REVISION FOR FORMULA FOR DISTRIBUTION TO ADDER NON-CONTRIBUTORS

L. Argo distributed the bylaw section that most likely speaks to the possibility of formulas for different distribution to members who have been non-contributors. L. Cakounes questioned how to treat the situation fairly. He believes that section 11 provides an avenue. G. Rounseville asked about surplus finance distribution, noting that section 11 prefers to dissolution only. L. Cakounes the question to the board, and we need more policy? Do we need policy that speaks to surplus? Staff was asked to add the matter to the agenda, that a review of the bylaws and possible addition for distribution be considered. It was also noted that “the title to get financed, etc.” and section 12.10 be reviewed.

R. Toole joined remotely at 10:35 AM.

C. Hanson asked how to approach a Round 1 Adder as a separate formula from the Round 2 Adder. C. McLaughlin asked do we prohibit non-contributors from future projects? L. Cole noted that language needs to encompass both Round 1 and Round 2 as well as a no-project calculation for distribution.

9. UPDATE ON PRESIDENT’S MEETING WITH THE CAPE LIGHT COMPACT DIRECTOR IN DECEMBER

L. Cakounes reported on meeting with the Cape Light Compact’s Director Maggie Downey. The CLC Board has not taken a vote but the director sees no reason to bring in CVEC. If CVEC were to dissolve, CLC would consider taking over the accounting services. She asked if CVEC would like to make a request that the CLC Board consider it. L. Cole asked if the Joint Power Entity (JPE) status for CLC changes the CLC ability to include CVEC and allow CVEC to generate power. L. Cakounes answered yes, but that the CLC director noted that the CLC is not interested in generation. R. Toole pointed out that he is on both boards. He would like to see the Cape Light Compact board enlightened at some point as to what CVEC does and will be doing. R. Toole added that CVEC needs to pinpoint its strategy first.

10. UPDATE ON EVERSOURCE RATE CASE, CVEC’S ACTIONS AND COSTS OF \$29,289 RELATIVE TO EVERSOURCE RATE CASE INTERVENTION

C. McLaughlin reported on the Eversource rate case and the Department of Public Utilities ruling. He explained that while the rate redesign was denied, the denial is temporary. The utility cannot change its rates for five years but it can redesign its rates. He went on to note that there seems to be no rationale for an appeal. L. Cakounes commented that CVEC can return to the discussion if there is any need for more action and thus, for more money.

It was moved by C. McLaughlin and seconded by J. Bayne that the Executive Committee be authorized to allocate more money within the previous amount allocated for further legal participation in the Eversource rate case.

Discussion ensued. L Cakounes noted that he doesn’t feel it is necessary for the vote. As president he is comfortable with permitting for a letter if it is deemed necessary for another \$5000 or so. He would not be

comfortable with an executive committee vote for taking on a full appeal. He feels this would need full board approval. G. Rounseville commented that he agreed with this stance. The vote was:

1. K. Metell, Tisbury	No	7. L. Cole, Director, Harwich	Abstain
2. G. Rounseville, Dennis	No	8. J. Rand, W. Tisbury	No
3. J. Bayne, Eastham	Abstain	9. S. Gavin, Yarmouth	No
4. C. Hanson, Brewster	No	10. L. Cakounes, Barnstable County	No
5. J. Scott, Director, Chatham	No	11. R. Collins, Orleans	No
6. C. McLaughlin, Barnstable	Yes	12. R. Toole, Oak Bluffs	No

The vote did not pass in roll call. (1-8-2)

11. DISCUSSION ON CURRENT AFFAIRS AFTER LETTER TO EVERSOURCE DATED 12.20.17

L Argo explained that a letter had gone to Eversource illustrating numerous issues with getting accurate and timely documents from the utility. R. Collins reported that he is also missing net metering credits for September for Orleans. L Argo commented that she will stay active trying to get an appointment with the utility to find a solution to prevent more errors.

12. UPDATE ON CVEC PV INITIATIVE ROUND 3

L Argo described the current status of CVEC’s Round 3 PV Initiative. The Interconnection Services Application for all seven projects have been completed. The initiative is moving along well.

13. DISCUSSION ON MORE INFO ON CARBON DIVIDEND AND FEE STATE LEGISLATION

A brief discussion took place on the currently being legislated carbon dividend and fee initiative to discourage carbon use. K. Metell and J. Rand both noted that they preferred CVEC doesn’t get involved with this. L Cakounes commented that we can always return to this matter at a later date. R. Toole said he was uncomfortable brushing this off. He pointed out that CVEC is in the business of discouraging fossil fuels and hopes we will return to the matter soon. L Argo pointed out that a portion of the dividends might go towards funding renewable energy and could be a boost for the CVEC.

14. UPDATE, DISCUSSION, AND POSSIBLE VOTE AUTHORIZING CVEC’S CONTRACTING FOR SECOND CVEC NET METERING CREDIT SALES AGREEMENT WITH NEXAMP AND SUBSEQUENT INTERGOVERNMENTAL SERVICES AGREEMENTS WITH TOWNS OF WELLFLEET, BREWSTER, MONOMOY SCHOOL DISTRICT, THE HARWICH WATER DEPARTMENT AND THE SANDWICH WATER AND UPPER CAPE WATER DISTRICTS

L Argo described the status of the contracting with the company Nexamp for more Net Metering Credits. *It was moved by S. Gavin and seconded by G. Rounseville that the Executive Committee be authorized to approve and execute the contracts for Nexamp’s Dartmouth Phase II.*

1. K. Metell, Tisbury	Yes	7. L. Cole, Director, Harwich	Yes
2. G. Rounseville, Dennis	Yes	8. J. Rand, W. Tisbury	Yes
3. J. Bayne, Eastham	Yes	9. S. Gavin, Yarmouth	Yes
4. C. Hanson, Brewster	Yes	10. L. Cakounes, Barnstable County	Yes
5. J. Scott, Director, Chatham	Yes	11. R. Collins, Orleans	Yes
6. C. McLaughlin, Barnstable	Yes	12. R. Toole, Oak Bluffs	Yes

The vote was accepted unanimously by roll call. Motion carried in the affirmative (12-0-0)

15. UPDATE ON BATTERY PROJECT AT DY HIGH SCHOOL

L Argo led the committees through a handout that had previously been visited by the full board in August 2017. Ultimately there are no changes to note. The RFP is still awaiting approval by the Department of Energy Resources. S. Gavin noted that the DYRSD is in the midst of reviewing possible relocations in order to accommodate new schools. L Argo reported that she discussed these changes with the Superintendent and they both agreed to continue to propose the existing grant be used for a properly sized battery specifically for the high school, which is not slated for any changes.

16. DISCUSSION AND POSSIBLE VOTE ON RETAINING STRATEGY CONSULTANT SERVICES

C. McLaughlin started the conversation by discussing his morning’s visit to the Hyannis Airport to review solar canopies for the airport. He asked the committees what role CVEC might like in the solar canopy initiative. J. Rand commented that the value of the initiative needs to outweigh the dollars spent on a consultant. During Round 2, West Tisbury spent money on a consultant to evaluate the worthiness of the PV on the landfill and West Tisbury. Ultimately it was money well spent. L. Cakounes commented that he prefers the consultant be tasked with a specific project. He also noted that he believes L. Argo can handle some of the strategy if she had relief in the office and more time. L. Argo read the proposal from Future Energy Advisors (FEA) that now focuses specifically on potential revenue upside and estimated implementation costs. C. Hanson noted that it looks like the money needed for a consultant exists in the budget. C. McLaughlin said we need to fast-track some of these options as noted in the FEA proposal. He added that we also need to get some help in the office. L. Argo added that CVEC also needs to fast-track selecting an option in order to be ready for the 2019 Cape Light Compact (CLC) Request for Proposals (RFP).

L. Cole departed at 12:26pm

It was moved by L. Cakounes and seconded by C. McLaughlin to authorize the Finance Committee and the Executive Committee to expand funds within the approved FY18 budget for office help and for consultancy in strategic planning.

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| 1. K. Metell, Tisbury | Yes | 7. L. Cole, Director, Harwich | Yes |
| 2. G. Rounseville, Dennis | Yes | 8. J. Rand, W. Tisbury | Yes |
| 3. J. Bayne, Eastham | Yes | 9. S. Gavin, Yarmouth | Yes |
| 4. C. Hanson, Brewster | Yes | 10. L. Cakounes, Barnstable County | Yes |
| 5. J. Scott, Director, Chatham | Yes | 11. R. Collins, Orleans | Yes |
| 6. C. McLaughlin, Barnstable | Yes | 12. R. Toole, Oak Bluffs | Yes |

The vote was accepted unanimously by roll call. Motion carried in the affirmative (12-0-0)

C. McLaughlin requested the agenda be taken out of order and the President concurred.

20. DIRECTOR’S REPORTS

C. McLaughlin requested that the agenda taken out to order and the president agreed. He noted that towns are posting separate Request for Proposals for ground leases for carports. When asked he responded that the RFP release is about six weeks out.

C. McLaughlin departed at 12:35 pm

17. UPDATE ON MEETINGS WITH TOWN STAFF ON FEB. 7TH AND 14TH, APPEARANCE ON PANEL AT SOLAR POWER NORTHEAST, AND SELECTMEN'S MEETING PRESENTATION ON FEB. 9TH

L. Argo informed the two committees about the opportunities provided by CVEC to meet with staff for a celebration and instructional event, first on Martha's Vineyard on February 7 and then on the mainland on February 14. She also informed the committees of her appearance on the panel at Solar Power Northeast on February 6. Additionally, she informed the committees that CVEC was presenting to the Selectmen and Counselors monthly meeting on February 9.

18. REVIEW OF FY17/2017 PRODUCTION AND SAVINGS DATA

L. Argo handed out reports from Peregrine Energy Group that distilled FY17 production and savings data. Discussion ensued.

19. MANAGER'S UPDATE

L. Argo noted that her evaluation is still something that needs to be provided by the Pres. and VP.

20. DIRECTOR'S REPORTS

L. Cole requested staff work with him to better understand the Harwich Water Department taking more net metering credits. L. Argo responded to achieve would be sure to reach out to him.

The Board adjourned at 12:52 p.m.

LIST OF DOCUMENTS & EXHIBITS:

- November 9, 2017 Board of Directors and Executive Committee Meeting Minutes
- Financial Position Dashboard, Balance Sheet Prior Year Comparison, Income & Expenditure Budget vs. Actual – Administrative, A/R & A/P Aging Summary Reports as of December 31, 2017
- FY17 Audit presentation from Clifton Larsen Allen
- Selection from CVEC bylaws
- Info sheet to explain proposed legislation for Carbon Fee & Dividend
- Handout describing status of battery grant activities
- Future Energy Advisors proposal dated Jan 29, 2018