

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors and Executive Committee
Open Session Meeting Minutes – Wednesday, November 21st, 2018

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors and Executive Committee met in open session on Wednesday, November 21st, 2018 at 10.00 a.m. in the Cape Light Conference Room, 261 Whites Path, Unit 4 South Yarmouth, MA 02664

PRESENT WERE:

1. Leo Cakounes, President, Executive and Finance Committees Member/Director, Barnstable County
2. Jennifer Rand, V. President/Executive Committee Member/Director, West Tisbury-by phone
3. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
4. Steve Gavin, Finance Committee Member/Director, Yarmouth
5. Robert Hannemann, Director, Chilmark- by phone
6. Lydia Hamnquist, Director, Provincetown-by phone
7. Gregory Rounseville, Director, Dennis- by phone
8. Ronald Collins, Director, Orleans
9. Richard Toole, Director, Oak Bluffs- by phone
10. Rosemary Carey, Director, Falmouth
11. Charles McLaughlin, Esq., Executive and Finance Committees Member/Director, Barnstable

ABSENT WERE:

1. Bourne - Vacant
2. Dukes County- Vacant
3. Edgartown – Vacant
4. John Scott, Director, Chatham
5. Kirk Metell, Director, Tisbury
6. Betty Hyde-McGuire, Director, Sandwich
7. Michael Lorenco, Finance Committee Member/Treasurer/Director, Eastham
8. Austin Brandt, Executive Committee Member/Director, Cape Light Compact (CLC)

STAFF PRESENT

Liz Argo, Manager
Tatsiana Nickinello, Administrative Services Manager
Susan Machie, Special Projects Coordinator

PUBLIC PRESENT

There was no public present.

Pres. Cakounes announced that there was no quorum of Directors physically present, but the meeting was to continue for the purposes of sharing information. He added that no votes would be taken.

Pres. Cakounes introduced Rosemary Carey, a newly appointed Director from Falmouth. The members of the Board introduced themselves.

C. Hanson arrived at 10.22 a.m.

1. CALL TO ORDER

Pres. Cakounes called the Executive Committee meeting to order at 10.22 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on November 15, 2018 at 1.15 p.m.

2. PUBLIC COMMENT

There were no public comments.

3. CONSIDERATION OF MEETING MINUTES

The consideration of all the Meeting Minutes was tabled due to the lack of the Board of Directors quorum.

4. TREASURER'S REPORT

Pres. Cakounes invited L. Argo to give a Treasurer's report in M. Lorenzo's stead as M. Lorenzo was absent that day. L. Argo reported that CVEC was operating within budget as of October 31, 2018. She continued stating that the provided handout with updated budget projections reflected change in the budget to meet the Capacity Market revenue. L. Cakounes stressed that the handout was merely a projection and no changes were made to the approved budget. He added that the projection was a good tool to consider in future planning for adjusting budget accordingly. L. Argo continued with overview of income and expenses lines concluding that Cash Balance amount came to be \$459,688. She informed the Directors and the Executive Committee (EC) members that the official audit was to come shortly. The Directors and the Executive Committee members discussed the projected budgets. It was unanimously agreed to rename the line "Cost of Living Increase- COLA" to "Inflation Factor". L. Cakounes expressed his satisfaction with the projected budgets. L. Argo mentioned that she had been utilizing some help from Ken Vancisin for financials, a new CVEC hire.

5. DISCUSSION AND POSSIBLE VOTE ON CVEC LEASE OF HARWICH AS-OF-RIGHT SOLAR SITE TO DEVELOP CVEC OWNED SOLAR PROJECT THROUGH FINANCING BY COOP POWER AND/OR COOPERATIVE FINANCE CORPORATION

L. Cakounes briefed the Directors and the Executive Committee on Harwich's as-of-right site development. L. Argo informed the members that the discussed project was going to be a new build possibly entirely financed by Coop Power, the company that gets its funding from tax equity. She added that the project would go through usual RFP process and Coop Power was asking for a membership cost of \$1,000 and 1% down payment which comes to vicinity of \$44,000 to launch the project. R. Hannemann and C. Hanson were doubtful about the expected amount of lease to be collected by Harwich, stating the number of \$60,000 seemed too low. L. Cakounes argued that due to specific location of the site, the town might not be able to realize higher collection amount on the lease and the number reflected on the handout was possibly an accurate estimation. R. Hannemann was concerned about being liable for the subcontractor debt and not being able to execute decisions before a "buy-out" 10-year term was over. L. Argo noted that the liability vs. benefit parameter was built in the \$127,324 yearly revenue "cushion". R.

Hannemann inquired after a detail analysis of financial rationales including all costs, income and full financial projections. L. Argo stated that the Cost/Benefit overview presented was carefully executed based on the information available to her. She added that the analysis R. Hannemann was requesting would have to be obtained by seeking the services of a specialized firm as noted in the hand-out

L. Argo stepped out at 10.57 a.m.

C. Hanson continued the discussion stating that the analysis presented by L. Argo was a good start and added that he would not commit without full financial disclosure, however. C. McLaughlin suggested assembling a group to produce the detailed report. L. Cakounes asked the Executive Committee if they would recommend going to the Board of Directors to assemble a special committee for the purposes of creating the report. C. McLaughlin argued that the loan organization should present the analysis at no cost because they wanted to go to business with CVEC. L. Cakounes mentioned that another option for CVEC was not to own the project but rather do the RFP only, with potential income of .5 of a penny on the 2MW project bringing the total revenue to \$5, 000 a year.

L. Argo joined in at 11.09 a.m.

L. Cakounes stressed that the project in Harwich was a time-sensitive matter and that the project indicated a possible direction for CVEC's future. L. Argo added that Harwich was a part of Round 4 and the projects, when bundled together, created the economy of scale making the venture more lucrative. She also added that, for the town, it was immaterial as to who owns the project. L. Cakounes asked the members if he should ask Coop Power to give a presentation since they wanted to be partners with CVEC. The discussion took place about involving the third party to create a proforma. C. McLaughlin stressed that the report should be produced by a trusted organization since there is a high amount of scrutiny involved with tax equity.

C. McLaughlin moved the Executive Committee to authorize the expenditure of up to \$1,500 for a proforma on owning a 1.9 MW Solar Array on the Harwich site from a firm which is approved by Paul Gromer, seconded by C. Hanson and voted by roll call as follows:

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|-----------------------------------|-----|
| 1. L. Cakounes, Barnstable County | Yes |
| 2. J. Rand, W. Tisbury (on phone) | Yes |
| 3. C. McLaughlin, Barnstable | Yes |
| 4. C. Hanson, Brewster | Yes |

The vote carried in the affirmative (4-0-0)

6. UPDATE, DISCUSSION AND POSSIBLE VOTE ON SOUND MITIGATION PLAN FOR NUNNEPOG

L. Argo briefed the members about an ongoing noise problem at Nunnepeg site. She read out loud the email from David Rutty, the representative from Clean Focus, in which the resolution scenario was bullet pointed. In the scenario, Clean Focus (CF) was offering to conduct the acoustic study to determine the appropriate additions to the sound barrier, and once done and the

report's findings were agreed upon by CVEC and the town, Clean Focus was to install the study's fixes at their cost. Once installed, they added, if any party would wish to perform a further sound test, they should do it at their own cost. The CVEC members were pleased with the email from CF but were cautious about the way to respond to both CF and the town. It was agreed to respond to CF first and then to the town in support of the criteria specifically outlined in the email.

7. UPDATE, DISCUSSION ON POSSIBLE VOTE ON BATTERY ENERGY STORAGE SYSTEM (BESS) FOR DY REGIONAL HIGH SCHOOL EMERGENCY SHELTER

L. Argo briefed the members about current developments on the BESS at DY High School. She added that more time was required to weigh income against expenses and once it was done, presentation would be held. There were several questions regarding the primary function of the BESS. It was discussed that the battery's main function was to be a back-up in case of need during grid outages from storm events, and therefore the battery was not to be used on the daily basis in order to preserve its full amount and not to impact its run time obligations during storms. L. Argo said that January 29 is the date of the award.

8. DISCUSSION AND VOTE TO REVISE POLICY GUIDE TO BE IN ACCORD WITH REVISED BYLAWS

The Agenda topic was tabled due to the lack of the Board of Directors quorum.

9. DISCUSSION AND POSSIBLE VOTE ON PARTICIPATION IN ONGOING DPU CASE AGAINST EVERSOURCE FOR PROTRACTED POWER OUTAGE AT SIPPICAN SOLAR FARM

L. Argo informed the members that Sippican Community Solar Garden, LLC reached out to CVEC. In the email Sippican informed CVEC that they were currently in dispute with Eversource. Sippican requested CVEC provide examples of CVEC issues that could be added to the potential violations which they have filed against Eversource. The members agreed to authorize L. Argo to honor Sippican's request and give a list of examples encountered by CVEC.

10. UPDATE ON STAFF ADDITIONS

The item on the Agenda was tabled due to the lack of full Board quorum.

11. UPDATE, DISCUSSION AND POSSIBLE VOTES ON:

a. Round 3 PV Initiative

L. Argo reported that Round 3 Initiatives are still waiting for the SMART program's commencement on November 26th.

b. Update on CVEC PV Initiative Round 4

L. Argo reported that she had spoken with CVEC counsel, Kevin Batt, and the Round 4 Initiative is going forward. C. Hanson noted that Brewster Solar Canopies need to be added to the list of projects. L. Argo continued saying that CVEC realized that at the prior Executive and Finance Committees meeting that requesting 10% for CVEC's administrative services for upfront work was not enough to cover all the CVEC expenses and a new proposal was developed and approved by the Executive Committee (EC) at that prior EC session. L. Argo added that the new upfront cost proposal was to be presented for the full Board.

c. Nexamp Dartmouth 2

L. Argo reported that Nexamp Dartmouth 2 project had a delay due to water logged grounds and the construction would start after the New Year. She added that Nexamp anticipated the system to start producing by Spring 2019.

d. FY Round 1 Adder

L. Argo reported that all the towns had approved the Adder and almost all the signed agreements were back.

e) ISO-NE qualification and FY19 participation through CLEAResult application

L. Argo informed the members that CLEAResult received an award of \$33,000 in September from the Capacity Market due to the Labor Day 2018 brown out. She added that CLEAResult took out their cost of about \$2,000. L. Argo noted that the benefit from the capacity market was not reflected yet in the updated budget projection.

12. PRESIDENT'S UPDATE

Pres. Cakounes informed the members that he was not reelected as a County Commissioner and his term was to expire December 31, 2018. He continued by noting that Larry Cole had stepped down recently, which would allow Pres. Cakounes to be approved as the Harwich's representative. He noted that he felt compelled to remain CVEC's President as transition would be an additional hardship in lieu of the many new initiatives that were currently in the making.

13. DIRECTOR'S UPDATE

C. McLaughlin informed the members about the Barnstable Fire District's ongoing difficulty in tax reimbursements due to an unusual billing situation. He added that his hope was to get project specific legislature support for the Fire District tax issue only and the draft pertaining to it was worked up already. L. Cakounes offered his help in solving the issue.

J. Rand moved the Executive Committee to adjourn, seconded by C. Hanson, and voted by roll call as follows:

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|-----------------------------------|-----|
| 1. L. Cakounes, Barnstable County | Yes |
| 2. J. Rand, W. Tisbury (on phone) | Yes |
| 3. C. McLaughlin, Barnstable | Yes |
| 4. C. Hanson, Brewster | Yes |

The vote carried in the affirmative (4-0-0)

The Executive Committee adjourned at 12.34 p.m.

LIST OF DOCUMENTS & EXHIBITS

- CVEC Financials as of October 31, 2018
- Updated FY19-FY25 Budget Projections
- Harwich Community Solar Garden cost/benefit analysis
- Clean Focus email pertaining sound mitigation problem at Nunnepog
- Projected Financial Benefit for Active Demand Capacity Resource

- BESS at DY High Update Bulletin as of 11.20.18
- Sippican Community Solar Garden, LLC letter
- CVEC reimbursement calculations on Round 3 Project Development
- Round 4 Possibilities Table as of 11.20.18

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