

**Cape & Vineyard Electric Cooperative, Inc.**  
**Finance Committee**  
**Open Session Meeting Minutes - Thursday, September 13, 2018**

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee and Finance Committee met in open session on Thursday, September 13, 2018 at 9:30 a.m. in the CVEC Offices, 23H2 Whites Path, Suite 2, South Yarmouth, MA 02664

**PRESENT WERE:**

1. Leo Cakounes, President, Finance and Executive Committee Member/Director, Barnstable County
2. Steve Gavin, Finance Committee/Director, Yarmouth
3. Austin Brandt, Executive Committee Member/Director, Cape Light Compact (CLC) (on the phone)
4. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
5. Michael Lorenco, Finance Committee Member/Director, Eastham

**ABSENT WERE:**

1. Jennifer Rand, V. President/Executive Committee Member/Director, West Tisbury
2. Charles McLaughlin, Executive Committee Member/ Finance Committee/Director, Barnstable

**STAFF PRESENT:**

Liz Argo, Manager  
Tatsiana Nickinello, Assistant Office Manager

**PUBLIC PRESENT**

No public

**1. CALL TO ORDER**

Pres. Cakounes called the meeting to order at 9.35 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law September 9, 2018 at 6.15 p.m. Pres. Cakounes verified that there was a physical quorum of the Finance Committee present but not the Executive Committee.

**2. PUBLIC COMMENT**

There were no public comments.

**3. REVIEW AND APPROVAL OF JULY 18, 2018 EXECUTIVE COMMITTEE AND FINANCE COMMITTEE MEETING MINUTES**

Finance Committee members reviewed the July 18, 2018 Meeting Minutes. There was a grammatical error on page 1, section 3. No other comments were made.

*M. Lorencio moved Finance Committee to approve July 18, 2018 Meeting Minutes as corrected, seconded by S. Gavin. The vote carried as follows:*

- |                                   |     |
|-----------------------------------|-----|
| 1. S. Gavin, Yarmouth             | Yes |
| 2. M. Lorencio, Eastham           | Yes |
| 3. L. Cakounes, Barnstable County | Yes |

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

### **13. UPDATES:**

Pres. Cakounes asked the Members if he had their consent to change the order of the Agenda as an unexpected issue required their immediate attention. The Members agreed.

L. Argo informed the Members about several public complaints regarding the company, NRG, soliciting solar energy sales by affiliating themselves with the Cape and Vineyard Electric Cooperative (CVEC). L. Cakounes asked staff to compose a press release and possibly sending a notice to towns making them aware that CVEC has no affiliations or any type of dealings with NRG. A brief discussion took place about how to proceed with this issue. It was agreed not to contact NRG but rather make a public announcement stating no associations with them.

*A. Brandt left the phone conversation at 9.50 a.m.*

### **4. TREASURER'S REPORT**

L. Argo reported to the Members on the state of a year to date Administrative Budget. She presented the comparative analysis on Income vs. Expenses. There was a brief discussion on the Edgartown transaction involving the collecting of the R1 Adder from them and later refunding it. M. Lorencio provided clarification on several money flow questions. L. Argo informed the Members that it is good to keep cash amount at no less than \$200,000. Among other topics discussed were Round 3 development and the Future Generation Wind (FGW) true-up timeline.

*A. Brandt resumed the phone call at 9.55 a.m.*

L. Argo proceeded, reporting that CVEC came under budget for income in the amount of \$3,500, but the expenses of \$60,000 came under budget as well. She added that some of the expenses are reimbursable. There was a brief discussion about planning for a future legal expense amount. L. Cakounes urged the Members to consider a substantial portion reminding them that the need for legal can come up unexpectedly as happened with the "Rate Case". L. Argo added that CVEC may realize higher legal fees as it starts working with the Town of Sandwich, Round 4 projects and the Battery project. The discussion continued about bank account balances. L. Argo reported that she does due diligence to ensure that the bank account stays at no less than \$250,000. M. Lorencio noted that the reserve amount of \$180,000 as voted by the Board should be reflected in the budget and suggested a footnote form of documenting it. C. Hanson started a discussion as to how the financials should be presented to Select Boards. L. Argo announced that most of the towns have agreed to the \$0.025 Round 1 Adder for FY20 and all the towns

but Brewster, Barnstable, and Tisbury have scheduled a CVEC presentation on the R1 Adder. L. Cakounes encouraged M. Lorenzo's participation and input. M. Lorenzo noted that he personally prefers "zeroing" the balance out for future budget prep. There were no other questions on financials.

#### **5. UPDATE ON FY20 ROUND 1 ADDER REQUESTS**

L. Argo reported that currently there are 8 approvals out of the 13 needed for the FY20 Round 1 Adder request. She added that she is still waiting on Barnstable County, Tisbury, and Brewster and several others. There was a brief discussion about the upcoming Energy Committee event in conjunction with the Cape Light Compact and the Cape Cod Climate Change Collaborative. The Members felt confident on getting a positive response about the FY20 Adder request. It was noted that Edgartown is not hearing the request based on prior experience.

#### **6. DISCUSSION ON NOMINATION POSSIBILITIES AT SEPTEMBER 20<sup>TH</sup> ANNUAL MEETING**

L. Cakounes informed the Members that J. Rand is working on identifying possible nominees for several Board seats in question. He also noted that in the event of his losing the elections, he would no longer be the President of the Board.

*A. Brandt resumed the phone conversation at 10.20 a.m.*

#### **7. DISCUSSION ON BY-LAW REVISION PROPOSED FOR ANNUAL MEETING**

The handouts of the Bylaw sections for review were distributed. The first section discussed was the portion on forming the Nomination Committee. L. Cakounes explained the particulars of the Open Meeting Laws regarding appointing committees. The members agreed to propose an addition to Section 5.7 allowing the President to ask for help by appointing individuals to perform certain tasks. The Members proceeded discussing Section 11 change regarding dissolution and distribution of excess cash. There were no questions about the proposed. The members continued the discussion on Sections 12.10 and 12.13, defining the title of the Manager. The Members proceeded with discussing policies regarding authorization to execute contracts. The Members debated the "cap" dollar amount of contracts to be signed by a single person. It was agreed that the language "in the amount to be determined by the Board" may be acceptable. The Members decided that there is more work to be done on that section.

*A. Brandt left the conversation at 11 a.m.*

#### **8. DISCUSSION ON POSSIBLE CVEC COMMUNITY SOLAR OFFERING ON BEHALF OF HARWICH AND/OR ADMINISTRATION OF LEASE FOR HARWICH'S SOLAR "AS-OF-RIGHT" SITE**

L. Argo reported that alongside with L. Cole and Eric McLean of Alliance Clean Energy, she went to the Town of Harwich and discussed the option of a Lease for their Green Communities Solar As-of-Right Site. L. Argo informed the Town of Harwich that CVEC has vast experience in dealing with Request for Proposals (RFP's) and added that in addition to administrating the RFP for a Lease, the second option through CVEC could be for a community solar offering.

*C. Hanson left at 11.05 a.m.*

L. Argo continued, stating that CVEC could pioneer Community Solar and develop a working model by using the Harwich opportunity. A handout was distributed demonstrating financials from both a potential

Lease or a Community Solar endeavor. L. Argo noted that the Town of Harwich would like to see both proposals shortly. Discussion took place regarding the best option for Harwich: Community Solar or Lease. There were many questions unanswered, for example: are there any Green Community restrictions and the amount of account management and upkeep required for a Community Solar project. It was unanimously agreed that this important topic is to be discussed further. L. Cakounes noted that he would like to see some specific language such as “numbers are subject to the Board approval” in the proposal to Harwich as well as any other proposals or offerings.

#### **9. DISCUSSION AND POSSIBLE VOTE ON REVIEW OF NET METERING CREDIT DISTRIBUTIONS WITH DEPARTMENT OF PUBLIC UTILITIES**

The discussion on review of net metering credit distributions with Department of Public Utilities was tabled pending update from Paul Gromer of Peregrine Energy Group.

#### **10. DISCUSSION AND POSSIBLE VOTE ON REQUEST FOR QUOTE FOR MAILER PROMOTING GREENSKIES AS OPERATIONS AND MAINTENANCE PROVIDER**

L. Argo reported that Greenskies contacted CVEC asking for a recommendation letter. The Members expressed their reservations on providing such a letter since there is lack of lengthy history of dealings with Greenskies. It was agreed, however, to construct a letter stating that Operation and Maintenance has improved since dealing with Greenskies and CVEC is looking forward to work with them in the future.

#### **11. DISCUSSION AND POSSIBLE VOTE ON DRAFT CVEC ANNUAL REPORT FOR FY18**

L. Argo reported that the Annual Report has been circulating and currently there were no major remarks and only some minor grammar corrections.

#### **12. UPDATE AND DISCUSSION ON NOISE REPORT AND MITIGATION PLAN FOR NUNNEPOG**

L. Argo updated the Members on the report from the town’s sound engineer, which found the noise to exceed the allowed limit. She also mentioned that she has received an email from the town administrator urging CVEC to solve the problem now that the results of the test are in. L. Cakounes inquired if Greenskies had received a copy of the report. L. Argo agreed to follow up and send copies of the report if needed. A brief discussion took place on the weather conditions when sound samples were taken and on Greenskies possible providing sound proofing options.

#### **13. UPDATES ON:**

##### **A) REQUEST FOR PROPOSAL FOR DY BATTERY ENERGY STORAGE SYSTEM**

L. Argo reported that the Proposal for DY Battery Energy Storage System has been posted and responses are due on October 22<sup>nd</sup>. She also mentioned that she has hired a second assistant, Susan Machie to help with the battery project.

##### **B) ROUND 3 PV INITIATIVE**

L. Argo reported that State is still holding back the release of the SMART (Smart Massachusetts Renewable Target) program and, thus, construction of Round 3 is on hold.

**C) NEXAMP DARTMOUTH 2**

L. Argo informed the Members that she is still waiting on contract execution by C. McLaughlin.

**D) CAPE COD CLIMATE CHANGE MEETING ON SEPTEMBER 27<sup>TH</sup>**

L. Argo informed the Members about the upcoming Cape Cod Climate Change Collaborative Roundtable meeting to be held on September 27<sup>th</sup>. She also asked if she has a consensus for proceeding with Round 4 projects. L. Cakounes noted he would like to see it on Agenda.

**THE FINANCE COMMITTEE MEMBERS VOTED UNANIMOUSLY TO ADJOURN AT 11:45 AM.**

**LIST OF DOCUMENTS & EXHIBITS**

- July 18, 2018 Meeting Minutes
- By-Law review proposal
- Harwich "As-of-right" site lease and Community Solar project proposal
- CVEC June 30, 2018 Financials and August Financials Prepared September 12