

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors and Executive Committee – Annual Meeting
Open Session Meeting Minutes - Thursday, September 20, 2018

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors and Executive Committee met in open session for the Annual Meeting on Thursday, September 20, 2018 at 9:30 a.m. in the Cape Light Conference Room, 261 Whites Path, Unit 4, South Yarmouth, MA 02664

PRESENT WERE:

1. Charles McLaughlin, Esq., Executive Committee Member/Director, Barnstable
2. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
3. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
4. Robert Hannemann, Director, Chilmark – by phone
5. Lawrence Cole, Director, Harwich
6. Ronald Collins, Director, Orleans
7. Lydia Hamnquist, Director, Provincetown
8. Jennifer Rand, V. President/Executive Committee Member/Director, W. Tisbury
9. Betty Hyde-McGuire, Director, Sandwich
10. John Scott, Director, Chatham
11. Kirk Metell, Director, Tisbury- by phone

ABSENT WERE:

12. Bourne - Vacant
13. John Alley, Director, Dukes County
14. Edgartown – Vacant
15. Falmouth - Vacant
16. Leo Cakounes, President, Executive Committee Member/Director, Barnstable County
17. Steve Gavin, Director, Yarmouth
18. Greg Rounseville, Director, Dennis
19. Michael Lorenco, Director, Eastham
20. Richard Toole, Director, Oak Bluffs

STAFF PRESENT

Liz Argo, Manager

Tatsiana Nickinello, Assistant Office Manager

PUBLIC PRESENT

None

1. CALL TO ORDER

V. Pres. Rand called the meeting to order at 9:40 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open

Meeting Law on September 17, 2018 at 5.00 p.m. V. Pres. Rand announced that the meeting was being recorded for the internal purpose of transcription of minutes.

2. PUBLIC COMMENT

There were no public comments.

3. ELECTION OF 2018/2019 OFFICERS

a. Report from Nominating Committee

The Nominating Committee represented by V. Pres. J. Rand reported that after screening and contacting potential candidates there were no nominees outside of the current pool of appointees with the exception of Eastham’s Director M. Lorenzo who is recommended for nomination to the position of Treasurer by the outgoing Treasurer, Joe Bayne. The Board discussed the nominees for the positions.

R. Collins stepped out at 9.45 a.m.

b. Election of 2018/2019 Officers

The Nominating Committee presented a slate of candidates as follows:

- **President:** Leo Cakounes
- **Vice President:** Jennifer Rand
- **Treasurer:** Michael Lorenzo
- **Clerk:** Charles Hanson

C. Hanson made a motion for the Board to vote to elect the slate of officers as presented by the Nominating Committee, seconded by L. Cole and voted by roll call vote as follows:

- | | | | |
|---|------------|-------------------------------------|------------|
| 1. <i>L. Cole, Harwich</i> | <i>Yes</i> | 7. <i>B. Hyde-McGuire, Sandwich</i> | <i>Yes</i> |
| 2. <i>J. Scott, Chatham</i> | <i>Yes</i> | 8. <i>J. Rand, West Tisbury</i> | <i>Yes</i> |
| 3. <i>A. Brandt, Cape Light Compact</i> | <i>Yes</i> | 9. <i>K. Metell, Tisbury</i> | <i>Yes</i> |
| 4. <i>C. McLaughlin, Barnstable</i> | <i>Yes</i> | 10. <i>R. Hannemann, Chilmark</i> | <i>Yes</i> |
| 5. <i>L. Hamnquist, Provincetown</i> | <i>Yes</i> | | |
| 6. <i>C. Hanson, Brewster</i> | <i>Yes</i> | | |

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

4. CONSIDERATION OF MEETING MINUTES

The Executive Committee reviewed the July 18th, 2018 Executive Committee and Finance Committee Meeting Minutes that had been accepted previously by the Finance Committee on September 13, 2018 with corrections. *C. McLaughlin made a motion to accept the July 18th, 2018 Executive Committee and Finance Committee Meeting Minutes as amended, seconded by J. Rand. The vote carried out as follows:*

- | | |
|----------------------------------|---------|
| 1. J. Rand, West Tisbury | Abstain |
| 2. A. Brandt, Cape Light Compact | Yes |
| 3. C. McLaughlin, Barnstable | Yes |
| 4. C. Hanson, Brewster | Yes |

Motion carried in the affirmative (3-0-1).

The Board reviewed the July 26th, 2018 Board of Directors and Executive Committee Open Session Meeting Minutes. Misspelling on page 4 section 5 was noted as well as the omission of the word “not” on page 6 section 10 (d). *L. Cole moved the Board to accept the July 26th, 2018 Board of Directors and Executive Committee Open Session Meeting Minutes with corrections, seconded by C. McLaughlin and voted by roll call as follows:*

- | | | | |
|----------------------------------|---------|------------------------------|-----|
| 1. L. Cole, Harwich | Yes | 7. B. Hyde-McGuire, Sandwich | Yes |
| 2. J. Scott, Chatham | Yes | 8. J. Rand, West Tisbury | Yes |
| 3. A. Brandt, Cape Light Compact | Yes | 9. K. Metell, Tisbury | Yes |
| 4. C. McLaughlin Barnstable | Abstain | 10. R. Hannemann, Chilmark | Yes |
| 5. L. Hamnquist, Provincetown | Yes | | |
| 6. C. Hanson, Brewster | Yes | | |

Motion carried in the affirmative (9-0-1).

5. TREASURER’S REPORT

L. Argo reported on the state of the Budget as of June 30, 2018. She encouraged the Board to view the handout provided and proceeded to explain the “Income” part of the report. She explained that the key aspects of the “Income” evaluation are the following: Round 1 Adder is under the expected amount as a portion of it had to be returned to Edgartown as contracted; Round 2 performed over the projected estimate in the amount of \$17, 083; Round 3 is under budget due to the fact that the site has not been built yet.

R. Collins joined in at 9.50 a.m.

L. Argo continued the review noting that Future Generation Wind (FGW) came in below the projected performance. She added that FGW true-up is coming up soon. L. Argo noted that Marie’s Way came in under the estimated number, while Nexamp came in over budget as the project started performing sooner than anticipated. L. Argo then reported on the “Expenses” portion of the Budget. She noted that the expenses came under budget by approximately \$65,000. J. Rand inquired where the savings came from and whether L. Argo can “sharpen” the report to avoid overestimating expenses. C. Hanson added that for the FY19 Budget the reductions have been computed. The Board proceeded discussing the “Cash Activity” portion of the report. It was agreed that overall, the projects are performing as expected and adjustments will be taken into account for next year’s budget. L. Argo reported that on the eve of the meeting

she received the Commercial Year End Report on Net Metering which indicated that all projects are exceeding the guaranteed output amount. J. Rand announced that the topic was informational only as it was not posted on Agenda. She added that no action is to be taken and instructed the staff to make the report available to all the Members.

6. REVIEW AND ACCEPTANCE OF FY18 ANNUAL REPORT

J. Rand announced that the Annual Report had been made available for all the Members with the edits that have been made. L. Argo noted that CVEC just recently received the Peregrine report which revealed a discrepancy in the Financials, as Peregrine added a month over the time period that CVEC's numbers were based off. She noted that the appropriate adjustment had been made on page 9 of the report. With the new information, CVEC is not above last year's performance, but still exceeded the estimates. It was agreed that it is likely the numbers are down following a difficult weather year for solar production. C. McLaughlin urged the staff to contact Peregrine to seek information on how the projects are performing comparing to others in the state. C. Hanson noted that Cape Cod has unique weather conditions and it may be better to compare the production to the production of other projects on the Cape and Island.

L. Argo continued the review and showed a graphic front page of the annual report. The Board agreed that the new option for a more visually appealing front page is desirable. *J. Rand made a motion to accept the Annual Report as amended and with the front-page edition, seconded by C. McLaughlin and voted by roll call as follows:*

- | | | | |
|----------------------------------|-----|------------------------------|-----|
| 1. L. Cole, Harwich | Yes | 7. B. Hyde-McGuire, Sandwich | Yes |
| 2. J. Scott, Chatham | Yes | 8. J. Rand, West Tisbury | Yes |
| 3. A. Brandt, Cape Light Compact | Yes | 9. K. Metell, Tisbury | Yes |
| 4. C. McLaughlin Barnstable | Yes | 10. R. Hannemann, Chilmark | Yes |
| 5. L. Hamnquist, Provincetown | Yes | 11. R. Collins, Orleans | Yes |
| 6. C. Hanson, Brewster | Yes | | |

Motion carried in the affirmative (11-0-0).

7. DISCUSSION AND VOTE ON BY-LAW REVISIONS:

a) Advisory appointments by the President

The Board discussed a possible addition to section 5.7 of the Bylaws allowing the President to appoint a nomination committee. The Board decided that the addition does not serve much purpose with its fairly "loose" language. No action was taken on the motion.

R. Collins stepped out at 10.41 a.m.

b) Distribution of excess cash

L. Argo informed the Board that current Bylaw's Section 11 addressed a dissolution scenario but did not instruct about appropriation of excess cash. The Board reviewed the proposed new language of the bylaw addressing excess cash. J. Rand inquired if the language had been

examined by legal counsel. L. Argo stated that it had been. *C. Hanson moved the Board to accept Section 11 changes as written, seconded by R. Collins and voted by roll call as follows:*

- | | | | |
|---|------------|-------------------------------------|------------|
| 1. <i>L. Cole, Harwich</i> | <i>Yes</i> | 7. <i>B. Hyde-McGuire, Sandwich</i> | <i>Yes</i> |
| 2. <i>J. Scott, Chatham</i> | <i>Yes</i> | 8. <i>J. Rand, West Tisbury</i> | <i>Yes</i> |
| 3. <i>A. Brandt, Cape Light Compact</i> | <i>Yes</i> | 9. <i>K. Metell, Tisbury</i> | <i>Yes</i> |
| 4. <i>C. McLaughlin, Barnstable</i> | <i>Yes</i> | 10. <i>R. Hannemann, Chilmark</i> | <i>Yes</i> |
| 5. <i>L. Hamnquist, Provincetown</i> | <i>Yes</i> | | |
| 6. <i>C. Hanson, Brewster</i> | <i>Yes</i> | | |

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

c) Addition of Manager and contract signatory definitions

L. Argo informed the Board that Bylaw Sections 12.10 and 12.3 edits had been reviewed by the Finance Committee and the Clerk at the September 19, 2018 Meeting. C. Hanson had noted at the time that there was a “hole” in the language describing how many people are required to sign contracts between \$35,000 and \$100,000. L. Argo added that new language was inserted to “clean up” the bylaw according to actual practice and that the new language addressing the hole found by C. Hanson. L. Cole argued that he did not find it necessary to change titles regarding a Manager/General Manager and considered them two possible titles of one position. C. McLaughlin proposed to add the language to the very end of the existing paragraph 12.10 “subject to restrictions in section 12.3”. *J. Rand made a motion to accept edition to sections 12.10 and 12.3 as amended by C. McLaughlin. C. McLaughlin moved the Board to vote, seconded by C. Hanson and the roll call vote carried out as follows:*

- | | | | |
|---|----------------|-------------------------------------|------------|
| 1. <i>L. Cole, Harwich</i> | <i>Abstain</i> | 7. <i>B. Hyde-McGuire, Sandwich</i> | <i>Yes</i> |
| 2. <i>J. Scott, Chatham</i> | <i>Yes</i> | 8. <i>J. Rand, West Tisbury</i> | <i>Yes</i> |
| 3. <i>A. Brandt, Cape Light Compact</i> | <i>Yes</i> | 9. <i>K. Metell, Tisbury</i> | <i>Yes</i> |
| 4. <i>C. McLaughlin, Barnstable</i> | <i>Yes</i> | 10. <i>R. Hannemann, Chilmark</i> | <i>Yes</i> |
| 5. <i>L. Hamnquist, Provincetown</i> | <i>Yes</i> | | |
| 6. <i>C. Hanson, Brewster</i> | <i>Yes</i> | | |

Motion carried in the affirmative (9-0-1)

8. DISCUSSION AND VOTE ON POLICY FOR CONTRACT CAP AMOUNT TO TRIGGER NEED FOR MORE THAN A MANAGER SIGNATURE

The Board decided to move to the next topic on Agenda as the change in the bylaw determines the policy.

9. DISCUSSION ON ENERGY COMPANY, NRG, FALSELY CLAIMING AFFILIATION WITH CVEC’S PV PROJECTS IN ITS MARKETING

L. Argo briefed the Board about energy company, NRG, falsely claiming affiliation with CVEC’s PV projects in its marketing. She added that a message warning the residents had been posted on CVEC’s website per recommendation of the Finance Committee. J. Rand instructed

staff to gather more information for the next meeting and urged all the Members to distribute a copy of a letter to be prepared by staff to their Town's Administrators. L. Argo added that there were complaints of individuals selling net metering credits and presenting themselves as town representatives. C. Hanson confirmed that there were several complaints from Brewster residents regarding the matter. C. McLaughlin instructed the staff to reach out to Valerie Wooley and added that he would help to connect with the press to make a public release stating no affiliation with NRG as well as possibly contact Consumer Protection Agency.

10. DISCUSSION AND VOTE 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 briefed the Board about how the new SMART (Solar Massachusetts Renewable Target) program suggests benefits from lease payments will be utilized rather than from net metering credits. She also added that there might be new venture for CVEC with the Town of Harwich. L. Cole informed the Board that as Harwich was trying to become a Green Community it has allocated a roughly 9-acre parcel of land for its "as-of-right" renewable energy site. He stated that there were several developers interested in building the project and he sited one of the interested companies had proposed a lease at \$100,000/year. L. Argo brought the Board's attention to a handout demonstrating two possible cost/benefit analyses: 1) CVEC's capitalizing on management of the RFP (Request for Proposals) process for the lease and then continued management for the life of the project and 2) offering Community Solar as well. A discussion followed evaluating CVEC's managing the lease option. L. Argo explained that CVEC would need to ask for just over 10% on the lease for management costs amounting to about \$4000 a year. L. Argo noted that the model is identical to the Round 3 model that is currently managed by CVEC. She also added that Harwich urged CVEC make a proposal as soon as possible because the upcoming SMART program consists of tariffs which will decrease with time and it's imperative to get in the queue as soon as possible to secure good pricing.

The Board switched to discussing the Community Solar option. C. McLaughlin worried about several issues such as the overhead cost, the number of customers needed for the project to pay off, the cost of managing the project and marketing it. L. Argo noted that there were other companies running similar projects on what seems to be small staff. The discussion took place about offerings options and their costs. J. Rand pointed out that, as this year's budget has already been set and none of the money was allocated towards any of the projects discussed, there was only an option to offer administrative services with reimbursement and noted that for next year it might be useful to allocate some money for "project development". J. Rand stated that this topic was very important and required another meeting. She added that it was critical to understand real costs and risks. L. Cole pointed out that the SMART program was most attractive now and urged the Board to act. R. Hannemann stated that he was not ready to decide without a more detailed project plan. The discussion continued with a review of reimbursement scenarios.

B. Hyde-McGuire left at 11.44 a.m.

The Board discussed the amount dedicated to administrative costs and urged staff to take a second look to make sure not to underestimate the cost. C. McLaughlin suggested making it clear in the contract that the cost was adjustable according to consumer price indices, and standard

language noting termination rights. *J. Rand made the motion to authorize L. Argo to make a proposal to the Town of Harwich to administer an RFP (Request for Proposal) for reimbursement costs plus an Administrative Adder and to offer a separate contract for Administrative Services to include the Adder with inflation. C. McLaughlin moved the Board to accept, seconded by C. Hanson and voted by roll call as follows:*

1. <i>L. Cole, Harwich</i>	<i>Yes</i>	7. <i>R. Hannemann, Chilmark</i>	<i>Abstain</i>
2. <i>J. Scott, Chatham</i>	<i>Yes</i>	8. <i>J. Rand, West Tisbury</i>	<i>Yes</i>
3. <i>A. Brandt, Cape Light Compact</i>	<i>Yes</i>	9. <i>K. Metell, Tisbury</i>	<i>Yes</i>
4. <i>C. McLaughlin, Barnstable</i>	<i>Yes</i>	10. <i>R. Collins, Orleans</i>	<i>Yes</i>
5. <i>L. Hamnquist, Provincetown</i>	<i>Yes</i>		
6. <i>C. Hanson, Brewster</i>	<i>Yes</i>		

Motion carried in the affirmative (9-0-1)

11. DISCUSSION AND VOTE ON ROUND 4 PV INITIATIVE

L. Argo briefed the Board that the Round 4 Initiative is ready to be launched. *J. Rand made a motion to begin execution of the Round 4 Initiative. C. McLaughlin moved the Board to vote, seconded by C. Hanson and the roll call vote carried out as follows:*

1. <i>L. Cole, Harwich</i>	<i>Yes</i>	7. <i>R. Hannemann, Chilmark</i>	<i>Yes</i>
2. <i>J. Scott, Chatham</i>	<i>Yes</i>	8. <i>J. Rand, West Tisbury</i>	<i>Yes</i>
3. <i>A. Brandt, Cape Light Compact</i>	<i>Yes</i>	9. <i>K. Metell, Tisbury</i>	<i>Yes</i>
4. <i>C. McLaughlin, Barnstable</i>	<i>Yes</i>	10. <i>R. Collins, Orleans</i>	<i>Yes</i>
5. <i>L. Hamnquist, Provincetown</i>	<i>Yes</i>		
6. <i>C. Hanson, Brewster</i>	<i>Yes</i>		

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

The Board discussed the response from Eversource pertaining to the keeping of Schedule Z records. The Board did not support any action regarding the topic.

13. UPDATE AND DISCUSSION ON NOISE REPORT AND MITIGATION PLAN FOR EDGARTOWN’S NUNNEPOG

L. Argo reported that Edgartown’s sound engineer report demonstrated sound level violations. She continued that, following the release of the report, CVEC had been contacted by the Town’s Administrator who stressed CVEC’s responsibility to solve the problem. L. Argo informed the Board that Clean Focus (CF) was willing to work to eliminate the problem and CF and the town were to schedule conference call.

14. UPDATES ON:

A. REQUEST FOR PROPOSAL FOR DY BATTERY ENERGY STORAGE SYSTEM

L. Argo reported that Battery RFP was out, and responses were due on October 22.

B. ROUND 3 PV INITIATIVE

L. Argo reported that there was no definite timeline as of yet on the initiation of construction on the Round 3 Initiative PV projects.

C. NEXAMP DARTMOUTH 2

L. Argo reported that construction was to start soon on the Nexamp Dartmouth 2 project. She added that Dennis Yarmouth School District was taking more net metering credits and Barnstable was still yet to answer. C. McLaughlin responded that Barnstable would have answer shortly.

D. UPDATE ON FY20 ROUND 1 ADDER REQUESTS

L. Argo reported that so far eight out of thirteen towns have responded affirmatively.

E. INFO ON CAPE COD CLIMATE CHANGE MEETING ON SEPTEMBER 27TH

L. Argo informed the Board about the upcoming Cape Cod Climate Change Meeting on September 27th in Hyannis.

F. INFO ON ALL-CAPE & ISLAND ENERGY COMMITTEE MEETING

L. Argo informed the Board and distributed handouts about The Second Cape & Island Energy Committee Meeting on Thursday, November 1st at 5.30 p.m.

15. PRESIDENT’S REPORT

There was no President’s report.

16. DIRECTOR’S REPORT

C. Hanson reported on complaints of tall grass and untrimmed bushes on Brewster’s PV Landfill site. L. Argo stated that she would follow up with the developer.

The Board agreed to tentatively reconvene on October 25, 2018.

At 12.20 p.m. *R. Collins moved the Board vote to adjourn, seconded by A. Brandt and voted by roll call as follows:*

- | | | | |
|---|------------|----------------------------------|------------|
| 1. <i>L. Cole, Harwich</i> | <i>Yes</i> | 7. <i>R. Hannemann, Chilmark</i> | <i>Yes</i> |
| 2. <i>J. Scott, Chatham</i> | <i>Yes</i> | 8. <i>J. Rand, West Tisbury</i> | <i>Yes</i> |
| 3. <i>A. Brandt, Cape Light Compact</i> | <i>Yes</i> | 9. <i>K. Metell, Tisbury</i> | <i>Yes</i> |
| 4. <i>C. McLaughlin, Barnstable</i> | <i>Yes</i> | 10. <i>R. Collins, Orleans</i> | <i>Yes</i> |
| 5. <i>L. Hamnquist, Provincetown</i> | <i>Yes</i> | | |
| 6. <i>C. Hanson, Brewster</i> | <i>Yes</i> | | |

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

LIST OF DOCUMENTS & EXHIBITS:

- Revised July 18, 2018 Executive Committee and Finance Committee Meeting Minutes
- July 26, 2018 Board of Director's Meeting Minutes
- July and August 2018 Financials
- FY18 Annual Report
- September 20, 2018 Bylaw Review
- Town of Harwich Lease/Community Solar Offerings Spreadsheet
- Cape & Island Energy Committees Meeting Flier