

**Cape & Vineyard Electric Cooperative, Inc.**  
**Executive Committee and Finance Committee**  
**Open Session Meeting Minutes – Thursday, February 14, 2019**

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee and Finance Committee met in open session on Thursday, February 14, 2019 at 9.00 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, Harwich
2. Steve Gavin, Finance Committee Member/Director, Yarmouth
3. Austin Brandt, Executive Committee Member/Director, Cape Light Compact (CLC)
4. Jennifer Rand, V. President/Executive Committee Member/Director, West Tisbury
5. Michael Lorenco, Finance Committee Member/Treasurer/Director, Eastham
6. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
7. Charles McLaughlin, Executive and Finance Committee Member/Director, Barnstable

**ABSENT WERE:**

None

**STAFF PRESENT:**

Liz Argo, Manager  
Tatsiana Nickinello, Administrative Services Manager

**PUBLIC PRESENT**

Allen Giles

**1. CALL TO ORDER**

Pres. Cakounes called the Executive Committee to order at 9.08 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on February 8, 2019 at 3.30 p.m. Pres. Cakounes verified that there was a physical quorum of the Executive Committee present.

**2. PUBLIC COMMENT**

Pres. Cakounes introduced Committee Members to the guest- Mr. Allen Giles of Picktricity, LLC. Pres. Cakounes reminded all that any deliberation in public comment is prohibited by the Open Meeting Law and welcomed Mr. Giles to deliver his statement. Mr. Giles introduced himself and informed the Members about his background in the renewable energy business. He provided several examples of projects he has been involved in, on and off Cape Cod. Mr. Giles informed the Members

about possible projects CVEC might be interested in being involved with pertaining to PV installations on municipal water tanks and asked if he can be permitted to present at the next general Board Meeting. Pres. Cakounes invited Mr. Giles to come back to deliver his information at the next Full Board Meeting.

C. McLaughlin arrived at 9.23 a.m. Pres. Cakounes called the Finance Committee to order at 9.23 a.m.

### **3. REVIEW AND APPROVAL OF JANUARY 17, 2019 EXECUTIVE AND FINANCE COMMITTEES MEETING MINUTES**

J. Rand noted a grammatical error on page 3 paragraph 5. No other corrections or remarks were made.

*C. McLaughlin moved the Finance Committee to approve the January 17, 2019 Executive Committee and Finance Committee Meeting Minutes as amended, seconded by S. Gavin and voted by roll call as follows:*

- |                                     |            |
|-------------------------------------|------------|
| <i>1. L. Cakounes, Harwich</i>      | <i>Yes</i> |
| <i>2. M. Lorenzo, Eastham</i>       | <i>Yes</i> |
| <i>3. S. Gavin, Yarmouth</i>        | <i>Yes</i> |
| <i>4. C. McLaughlin, Barnstable</i> | <i>Yes</i> |

*Motion carried in the affirmative (4-0-0)*

*J. Rand moved the Executive Committee to approve the January 17, 2019 Executive and Finance Committee Meeting Minutes, seconded by C. Hanson and voted by roll call as follows:*

- |   |            |
|---|------------|
| <i>1. J. Rand, West Tisbury</i>         | <i>Yes</i> |
| <i>2. A. Brandt, Cape Light Compact</i> | <i>Yes</i> |
| <i>3. C. Hanson, Brewster</i>           | <i>Yes</i> |
| <i>4. L. Cakounes, Harwich</i>          | <i>Yes</i> |
| <i>5. C. McLaughlin, Barnstable</i>     | <i>Yes</i> |

*Motion carried in the affirmative (5-0-0).*

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

M. Lorenzo notified the Members he was experiencing a large work load at his town position and it was possible that in the near future he could no longer perform his duties as a CVEC Treasurer.

L. Argo delivered the financial report. She stated that, as CVEC was approaching half a fiscal year, more numbers were starting to "even out". L. Argo noted that Round 4 expenses will be reimbursed. She added that cash is slightly down due to the usual processing delay. A brief discussion took place on the timeline of the capacity market auction and the timing of the benefits payments.

C. McLaughlin recommended conducting a review on the insurance policy regarding theft prevention and reimbursement. He suggested a discussion with Clifton Larsen Allen on policy and security procedures.

## **5. DISCUSSION AND POSSIBLE VOTE ON CVEC INVESTMENT OF CASH RESERVES**

Pres. Cakounes informed the members that L. Argo has done due diligence on contacting different institutions for rates and selected only those who have ensured investments options. L. Argo reported that most banks did not do business CD's and added that Wells Fargo was one of the few to have a competitive rate of 2.4% for 6 months. Pres. Cakounes added that none of the banks were ensuring for over \$250,000 per account. L. Argo noted that Wells Fargo utilized three banks to make sure any total amount of the money was ensured. The discussion ensued about the amount of money to be invested and a possibility of authorizing the President to agree to the account terms.

*C. McLaughlin made a motion to authorize the President to enter into a CD investment type account and transfer an amount not to exceed \$400,000. Furthermore, to authorize the President to roll over said account within the terms of the CD.*

*C. McLaughlin moved the Finance Committee to approve the motion, seconded by M. Lorenzo and voted by roll call as follows:*

- |                                     |            |
|-------------------------------------|------------|
| <i>1. L. Cakounes, Harwich</i>      | <i>Yes</i> |
| <i>2. M. Lorenzo, Eastham</i>       | <i>Yes</i> |
| <i>3. S. Gavin, Yarmouth</i>        | <i>Yes</i> |
| <i>4. C. McLaughlin, Barnstable</i> | <i>Yes</i> |

*Motion carried in the affirmative (4-0-0)*

*C. McLaughlin moved the Executive Committee to approve the motion, seconded by C. Hanson and voted by roll call as follows:*

- |   |                |
|---|----------------|
| <i>1. J. Rand, West Tisbury</i>         | <i>Yes</i>     |
| <i>2. A. Brandt, Cape Light Compact</i> | <i>Abstain</i> |
| <i>3. C. Hanson, Brewster</i>           | <i>Yes</i>     |
| <i>4. L. Cakounes, Harwich</i>          | <i>Yes</i>     |
| <i>5. C. McLaughlin, Barnstable</i>     | <i>Yes</i>     |

*Motion carried in the affirmative (4-0-1)*

## **6. UPDATE ON CONTRACTOR AWARD FOR DY BATTERY ENERGY STORAGE SYSTEM (BESS)**

A. Brand reported that Cape Light Compact (CLC) was not coming to terms with Eversource on managing capacity dispatch. He added that it was unlikely CLC would be running the dispatch program this summer. The discussion took place about the difference between daily dispatch and targeted dispatch, possibility of savings on capacity charges and the grant requirements. The discussion concluded with the determination that there was a pressing need to push legislature to

resolve the issue and for Eversource to “come to the table”. J. Rand expressed her concern about the vendors holding the price until the solution was found.

**7. DISCUSSION AND POSSIBLE VOTE ON PROCURING FINANCING FOR CVEC DEVELOPMENT AND OWNERSHIP OF SOLAR SYSTEM, OR ON PROCURING FINANCING FOR CVEC PURCHASE OF PV PROJECTS ELIGIBLE FOR BUY-OUT. FINANCING PROPOSALS FROM:**

**A) COOP POWER (LYNN BENANDER)**

**B) A-CRE (CATALYZE: JAMES GESHWILER/PAUL CLEARY)**

**C) RER ENERGY GROUP (JIM KURTZ/LORETTA OTTINGER)**

**D) ALLIANCE CLEAN ENERGY (ERIC MCLEAN/BILL RILEY)**

**E) WELLS FARGO**

**F) CAPE COD 5**

**G) COOPERATIVE FINANCE CORPORATION**

A) The Members examined Coop Power’s Harwich Community Solar Project Financial proforma. The Members expressed their concern that the proforma was missing some important information such as transactions schedule.

B) L. Argo noted that A-CRE had a non-disclosure agreement pertaining to their proforma. The Members examined the document presented. There was a brief discussion on the A-CRE financing offering.

C) The Members reviewed the proforma offered by RER Energy Group. It was noted that an RFP would be needed as per Chapter 164 select a financier. The discussion took place about transaction economics and project’s ownership. RER Energy Group is offering both financing and Operations & Maintenance services on the project. RER Energy Group constructed their offer in a way that CVEC would own the project and their company would pay a mortgage or royalty to CVEC. L. Cakounes raised a question on decommission costs in the pro forma because CVEC would assume all the responsibilities associated with the project when the 20<sup>th</sup> year comes to term. He also added that it was useful to find out if there was a prepayment penalty clause and if it would be beneficial to pay off the debt earlier.

D, E, G) A brief discussion took place about acquiring financing through lenders such as Wells Fargo, Cape Cod 5 and/or Cooperative Finance Corporation. No proformas were offered from the financial institutions listed above.

The discussion took place about possible buy-out of the current projects soon to be eligible for purchase. L. Argo said that all the appraisal inquiries came to be around \$25, 000 for all the CVEC-7 projects. Eric McLean’s proposal was mentioned as it contained a list of the service deliverables. It was mentioned that old projects had more revenue incentives in comparison with the new potential PV installation in Harwich. The discussion noted that formal evaluation of prospective projects must be conducted prior to making any decisions. L. Cakounes noted that the allocation of funds was required in this case and he would like the Full Board vote on it. C. Hanson inquired if there were any funds budgeted to conduct such an evaluation. L. Argo responded that CVEC had the money but that it had not been budgeted. It was concluded to pursue further investigation of this matter.

**8. DISCUSSION AND POSSIBLE VOTE ON CVEC ELECTRIC VEHICLE/CHARGING STATION INITIATIVE**



2. *M. Lorenzo, Eastham* Yes
3. *S. Gavin, Yarmouth* Yes

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

*J. Rand made a motion for the Executive Committee to adjourn.*

*J. Rand moved the Executive Committee to accept the motion, seconded by A. Brandt and voted by roll call as follows:*

1. *J. Rand, West Tisbury* Yes
2. *A. Brandt, Cape Light Compact* Yes
3. *C. Hanson, Brewster* Yes
4. *L. Cakounes, Harwich* Yes

*Motion carried in the affirmative (4-0-0).*

#### **LIST OF DOCUMENTS & EXHIBITS**

- January 17, 2019 Executive and Finance Committees Meeting Minutes
- CVEC Financials
- Coop Power Financial Proforma
- A-CRE Portfolio Valuation & Strategy Proposal
- RER Energy Group Financial Proforma
- Harwich Initiative Cost/Benefit Analysis
- Buy-Out Cost Comparison Table
- EV Funding Opportunity Informational Sheet