

Cape & Vineyard Electric Cooperative, Inc.
Executive Committee and Finance Committee
Open Session Meeting Minutes – Thursday, January 9, 2020

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee and Finance Committee met in open session on Thursday, January 9, 2020 at 9:00 a.m. in the CVEC Offices, 23H2 Whites Path, Suite 4, 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
4. Jennifer Rand, V. President/Executive Committee Member/Director, West Tisbury
5. Robert Wirtshafter, Treasurer/ Finance Committee Member/Director, Chatham
6. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster

ABSENT WERE:

1. Austin Brandt, Executive Committee Member/Director, Cape Light Compact (CLC)
2. Charles McLaughlin, Executive and Finance Committee Member/Director, Barnstable

STAFF PRESENT:

Liz Argo, Manager
Tatsiana Nickinello, Administrative Services Manager

PUBLIC PRESENT

None

1. CALL TO ORDER

Pres. Cakounes called the meeting to order at 9:01 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 7, 2019 at 8:49 a.m. Pres. Cakounes verified that there was a physical quorum of the Finance and Executive Committees present.

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF NOVEMBER 14, 2019 EXECUTIVE COMMITTEE AND FINANCE COMMITTEE MEETING MINUTES

The Members reviewed the November 14, 2019 Executive Committee and Finance Committee Meeting Minutes. No corrections or remarks were made.

C. Hanson moved the Executive Committee to approve the November 14, 2019 Executive Committee and Finance Committee Meeting Minutes as presented, seconded by J. Rand and voted as follows:

- | | |
|--------------------------|-----|
| 1. J. Rand, West Tisbury | Yes |
| 2. C. Hanson, Brewster | Yes |
| 3. L. Cakounes, Harwich | Yes |

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

S. Gavin moved the Finance Committee to approve the November 14, 2019 Executive Committee and Finance Committee Meeting Minutes as presented, seconded by R. Wirtshafter and voted as follows:

- | | |
|-----------------------------------|------------|
| <i>1. R. Wirtshafter, Chatham</i> | <i>Yes</i> |
| <i>2. S. Gavin, Yarmouth</i> | <i>Yes</i> |
| <i>3. L. Cakounes, Harwich</i> | <i>Yes</i> |

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

4. DISCUSSION AND POSSIBLE VOTE ON CVEC CHANGE IN LEGAL REPRESENTATION FOR PV/STORAGE CONTRACTS

L. Argo informed the Members that current legal representation, Andersen & Kreiger, failed to inform CVEC about most recent SMART program revisions, some of which are taking into effect in March 2020. She continued saying that present law firm was not able to advise on change, and L. Argo was informed about the changes by a third party. L. Argo explained that SMART program directly impacts CVEC initiatives projects, and it is paramount to be informed of any changes in a timely manner. She later contacted previously contracted firm - BCK. L. Argo reported that BCK agreed to represent CVEC, contingent Board's approval. J. Rand inquired on the difference in rates of the currently used firm, Andersen & Kreiger, and BCK. L. Argo reported that although the hourly rates are same, BCK has a group of attorneys that may work together, but bill individually, possibly bringing the cost higher. The discussion took place about former experience with BCK. Several members recalled that BCK was expensive. J. Rand and L. Cakounes thought that in the past BCK did not want to work with CVEC. L. Argo said that BCK felt that they are not qualified to work on "general legal" items. She added, however, that BCK was the firm which created original CVEC contracts, and they are willing to work with CVEC now. L. Argo explained there was a change in Andersen & Kreiger attorney representation as Kevin Batt retired, and now CVEC is advised by Jessica Wall, who failed to inform CVEC of important SMART program revisions aside from other things. The Members inquired if there are other firms that could be contracted. L. Argo responded that there is a limited pool of firms available for municipal legal help. She noted that she sought guidance from two other firms, but her efforts were unsuccessful due to conflict of interest issues, as latter firms represent some of the CVEC vendors.

J. Rand moved the Executive Committee to authorize the Manager to use services provided by BCK needed for all future energy contracts, seconded by C. Hanson and voted as follows:

- | | |
|---------------------------------|------------|
| <i>1. J. Rand, West Tisbury</i> | <i>Yes</i> |
| <i>2. C. Hanson, Brewster</i> | <i>Yes</i> |
| <i>3. L. Cakounes, Harwich</i> | <i>Yes</i> |

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

5. DISCUSSION AND POSSIBLE VOTE ON CVEC CONTINUING EFFORTS TO INFLUENCE STATE LEGISLATURE REGARDING PROPERTY TAX LAW RELATIVE TO PV IN GROUND MOUNTS

L. Argo reported that originally C. McLaughlin set a task for CVEC to make efforts to influence state legislature regarding property tax law relative to PV in ground mounts. She informed the Members that after mentioning about such an effort to the Town of Sandwich, the town informed her that they are not in support of this change of law. The discussion took place about possible connection of the property tax in relation to ground mount PV installation and the amount of levy limit. The Members thought that the change of law will unlikely to considerably impact the levy limit. J. Rand said that the administrative costs of processing taxes are likely to be higher than the gains associated with higher levy. L. Argo added that Kevin Batt argued in favor of the legislation in the Senate two years ago. L. Argo noted that she sent an email to the Representative regarding the issue but did not receive any response. J. Rand offered assistance in reaching out to Julian Cyr. L. Argo stressed again that CVEC has responsibility to discuss the issue and see if other towns are against or in favor of the legislature. A short discussion took place about possibility of a “local option” legislature, allowing individual towns to make a decision for their town only. It was agreed to inform Member town representatives before the next Board meeting, so they can reach out and ask their towns about the issue. The staff was instructed to add this topic to the next Full Board Agenda.

6.DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF JLC AS MANAGEMENT FOR CLEAN FOCUS CONSIDERING OPERATIONS AND MAINTENANCE ISSUES AT BREWSTER

L. Argo brought Members’ attention to the “Assignment and Assumption Agreement” handout. She clarified that JLC is the O&M management company that managing only specific projects. She added that the projects are not running yet. C. Hanson inquired on the ownership of the projects in Round 1. L. Argo said that in the case of Round 1, Clean Focus is projects’ owner while Greenskies performs O&M. L. Cakounes mentioned that although Greenskies is building several projects as part of Round 4 and Round 5, they selected JLC to perform O&M for them. L. Argo presented the complete list of projects in questions: Round 4- Oak Bluffs Landfill, Oak Bluffs Elementary School; Round 5- Harwich Cranberry Valley Golf Course Cart Barn, Harwich Cranberry Valley Golf Course Carport. L. Cakounes inquired if the amendment had been approved by the attorney. L. Argo responded that it is still under review with Andersen & Kreiger. The Members had no objections to instituting JLC as a project management company for Clean Focus.

C. Hanson moved the Executive Committee to authorize the President to approve of signing the Assumption Agreement as presented here contingent on legal review, seconded by J. Rand and voted as follows:

- | | |
|--------------------------|-----|
| 1. J. Rand, West Tisbury | Yes |
| 2. C. Hanson, Brewster | Yes |
| 3. L. Cakounes, Harwich | Yes |

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

7.DISCUSSION AND POSSIBLE VOTE ON MOVE TO NEW OFFICE SPACE (AT ADDITIONAL ANNUAL COST OF \$4200)

L. Cakounes informed the Members that the current office space size is not adequate for hosting the meetings. In addition, he added that it does not have a thermostat to regulate the temperature. C. Hanson mentioned that with more projects in Round 4,5 and 6 coming, there might be need for staff

expansion, so moving in a larger space was reasonable. L. Cakounes mentioned that CVEC will likely get a one-time charge for moving the cable.

C. Hanson moved the Executive Committee to approve the move to a new office space, seconded by J. Rand and voted as follows:

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|--------------------------|-----|
| 1. J. Rand, West Tisbury | Yes |
| 2. C. Hanson, Brewster | Yes |
| 3. L. Cakounes, Harwich | Yes |

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

R. Wirtshafter moved the Finance Committee to approve the move to a new office space, seconded by S. Gavin and voted as follows:

- | | |
|----------------------------|-----|
| 1. R. Wirtshafter, Chatham | Yes |
| 2. S. Gavin, Yarmouth | Yes |
| 3. L. Cakounes, Harwich | Yes |

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

8.DISCUSSION AND POSSIBLE VOTE ON CVEC TAKING AN ADVISORY/LEADERSHIP ROLE TO INTERVENE AND POSSIBLY PROVIDE SERVICES TO RESIDENTS AFFECTED BY CERTAIN SOLAR COMPANIES' DISADVANTAGEOUS CONTRACTUAL OBLIGATIONS

L. Cakounes informed the Members that he was contacted by several Selectmen and other town dignitaries with information that some residents were taken advantage of by other solar companies. He reported that CVEC was asked to intervene. L. Cakounes continued that he responded that residents are not CVEC members, and CVEC is not equipped to help in this situation. He added that the news is of informational nature and do not require action on the part of the CVEC. A brief discussion took place about possible recommendations to the residents such as contacting "Better Business Bureau", Cape Light Compact and other consumer advocacy groups.

R. Wirtshafter stepped out at 10:00 a.m.

9.DISCUSSION AND POSSIBLE VOTE ON FLUID CONTAINMENT STRUCTURES FOR ALL CURRENT AND FUTURE PROJECTS, INCLUDING BATTERY STORAGE

L. Cakounes informed the Members that C. McLaughlin brought up the issue to his attention, and since Mr. McLaughlin was not personally present, L. Cakounes suggested putting this discussion item on the Full Board Meeting Agenda. L. Cakounes added that it is sensible to address the issue in all the future contracts. The Members briefly discussed educating towns on fluid containment, as the town are the bodies issuing permits to build project.

10. DISCUSSION AND POSSIBLE VOTE ON INVERTERS DIELECTRIC FLUIDS PROJECT EXAMINATION

It was agreed to bring the discussion of this topic to the next Board Meeting.

11. DISCUSSION AND POSSIBLE VOTE ON TOWN OF DENNIS REQUEST TO WAIVE FEES FOR INCLUDING THE DENNIS HIGHLANDS GOLF COURSE SOLAR CANOPY PROJECT IN ROUND 5

L. Argo informed the Members that she received a request from the Town of Dennis to waive the CVEC Round 5 shared expenses fee as the Town of Dennis is not going forward with the project. She added that since the request was made, the project has been pulled out from the list and Dennis is no longer billed for any of the on-going expenses. L. Argo recalled that the RFP went out, the vendors visited the site and a single vendor was selected. Later, the Town of Dennis wished to continue no longer and pulled out the project. L. Argo said that CVEC invoiced the town for about \$900 for the services rendered before the project was officially abandoned. The records of minutes were shown indicating G. Rounseville’ s presence during the Board discussion concerning Round 5 shared expenses. J. Rand expressed her opinion that she sees no basis to waive the fees.

C. Hanson moved the Executive Committee to deny the Town of Dennis request to waive Round 5 shared expenses fees for including the Dennis Highlands Golf Course Solar Canopy project, seconded by J. Rand and voted as follows:

- | | |
|--------------------------|-----|
| 1. J. Rand, West Tisbury | Yes |
| 2. C. Hanson, Brewster | Yes |
| 3. L. Cakounes, Harwich | Yes |

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

12. UPDATES ON:

A) Battery Storage System at DY

L. Argo reported that due to miscommunication on either side, the BESS project was almost cancelled. She added that, fortunately, the contract was reinstated and CVEC is going forward with it. L. Argo reported that she is currently negotiating with Ameresco. L. Cakounes inquired if Ameresco requested any contract language change. L. Argo responded that so far, they did not. L. Argo said that BESS feasibility study is ready. She informed the Members that after talking with the new head of DOER it was evident that the state will not pay until Ameresco is paid. She continued saying that according to that scenario, CVEC would likely need to borrow about \$250, 000 for a very short period, likely a month, then pay the vendor and turn CVEC “expenses” to the state for reimbursement. L. Argo added that she is trying to negotiate a longer payment window, as it takes the state 90 days to reimburse. A brief discussion took place about Demand Response option regarding BESS. L. Argo let the Members know that CPower, CVEC and CLC are meeting to discuss what CVEC needs to do in order to participate in CLC’s program.

B) Communication with DOER on behalf of Town of Marion

L. Argo explained that she had a conversation with DOER seeking solutions to current situation: CVEC has a lot of behind-the-meter projects, many of which are candidates for battery installation. However, current cap limit on Net Metering Credits (NMC) would prevent CVEC from going forward with the battery installations. L. Argo informed the Members that DOER is working on SMART program revision, specifically including Alternative On Bill Credit (AOBC) clause, which will provide a relief to NMC cap. She added that contracts now allow and address that change, and the towns can continue building more renewable energy projects.

C) PV/Storage Initiative Round 4

L. Argo reported that Round 4 projects are going in the system, but the Eversource interconnection schedules are not available at this time. A discussion took place about developing a master schedule for the projects.

D) PV/Storage Initiative Round 5

L. Argo reported that the developers are going to be sending “red lined” contracts. She added that many towns’ attorneys reviewed them, and with BCK’s help the process will be moving forward.

E) Update on Round 1 Adder and FY19 Updates for non-Round 1 towns

L. Argo informed the Members that all Round 1 Adder extension requests are approved. She added that she is making appearances to all non-Round 1 towns, and it would be beneficial to do so on an annual basis.

F) Presentation to Assembly of Delegates in December

L. Argo reported that she gave a presentation in front of the Assembly of Delegates in December 2020.

R. Wirtshafter joined in at 10:30 a.m.

G) Search for new Manager and manager work support

L. Cakounes reported that Search Committee (L. Cakounes, M. Downey and T. Glivinski) put together a draft Manager job description and will be sending it to the Executive Committee (EC) for a review. He continued that after the review, the EC is to present the job description to the Board with a time frame of a week to send comments and recommendations. He added that the Search Committee is looking into some firms suggested by CLC. The firms in question meet requirements mandated by the state. L. Cakounes noted that the advertisement will run for 30 days. He continued saying that for privacy of applicants, separate email address has been set up. Once the resumes come in, the Search Committee will review them and select 3 “top runners”. The names of the top candidates will be given to the EC. The EC will conduct the interviews and hire a person, subject to approval of the Full Board. J. Rand suggested Board Members to attend the interviews but recommended posing the questions to be asked ahead of time. R. Wirtshafter inquired on salary range. L. Cakounes reported that the salary range is set to \$84,500- \$92,600. He added that CVEC may try to join Barnstable County Retirement Board. The Members agreed to continue pursuing the option of CVEC joining Barnstable County Retirement Plan if possible.

H) Full Board Meeting January 23, 2020

The date for the next Full Board meeting was set for January 23, 2020.

Executive and Finance Committees unanimously voted to adjourn at 10:55 a.m.

LIST OF DOCUMENTS & EXHIBITS

- November 14, 2019 Executive Committee and Finance Committee Meeting Minutes
- BCK Law, P.C. email handout
- Assignment and Assumption Agreement