

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors, Executive Committee and Finance Committee
Remote Call-in Meeting Minutes – Thursday, July 23rd, 2020

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors, Finance Committee and Executive Committee met via remote call-in publicly accessible conference line on Thursday, July 23rd, 2020 at 9:30 a.m. from home-based locations.

PRESENT WERE:

1. Leo Cakounes, President, Executive and Finance Committees Member/Director, Harwich
2. Austin Brandt, Executive Committee Member/Director, Cape Light Compact (CLC)
3. Charles Hanson, Finance Committee Member/Clerk/Director, Brewster
4. Lydia Hamnquist, Director, Provincetown
5. Ronald Collins, Director, Orleans
6. Richard Toole, Director, Oak Bluffs
7. Robert Wirtshafter, PhD, Director, Chatham
8. Tain Leonard-Peck, Director, Dukes County
9. Charles McLaughlin, Esq., Executive and Finance Committees Member/Director, Barnstable
10. Steve Gavin, Finance Committee Member/Director, Yarmouth
11. Adam Prince, Director, Eastham
12. Bill Saltonstall, Director, Marion
13. Jennifer Rand, V. President/Executive Committee Member/Director, West Tisbury
14. Alan Strahler, Director, Edgartown
15. Rosemary Dreger-Carey, Director, Falmouth
16. Janice Marks, Director, Bourne

ABSENT WERE:

1. Sandwich- Vacant
2. Dennis- Vacant
3. William Lake, Director, Aquinnah
4. Tisbury- Vacant
5. Wayne Taylor, Director, Mashpee
6. Stephen Lewenberg, Director, Chilmark
7. Ron Beaty, Director, Executive and Finance Committee Member, Barnstable County
8. Lauren Sinatra, Director, Nantucket

STAFF PRESENT

Liz Argo, Executive Director
Maria Marasco, Deputy Director
Tatsiana Nickinello, Administrative Services Manager

PUBLIC PRESENT

None

1. CALL TO ORDER

Pres. Cakounes called the Board of Directors', Executive Committee and Finance Committee meeting to order at 9:34 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on July 14, 2020 at 12:05 p.m. He verified that there was a quorum of the Board of Directors, Finance Committee and Executive Committee present.

2. PERSONS ON THE PHONE ASKED TO IDENTIFY THEMSELVES

Persons on the phone identified themselves.

3. PUBLIC COMMENT

There were no public comments.

4. AWARD TO GREG ROUNSEVILLE, CVEC REPRESENTATIVE FROM TOWN OF DENNIS FROM 2015-2019

L. Cakounes thanked G. Rounseville. He noted that G. Rounseville served as CVEC Director and Procurement Officer from 2015 to 2019. The members expressed their gratitude to G. Rounseville for the years served and wished him luck at his new job as the Town of Dennis Assistant Town Administrator. G. Rounseville was presented with a recognition award.

5. INTRODUCTION OF MARIA MARASCO, CVEC DEPUTY DIRECTOR

L. Cakounes introduced newly hired Deputy Director Maria Marasco. M. Marasco greeted the Board and expressed her excitement to be a part of CVEC's team.

6. TREASURER'S REPORT AND UPDATE ON FY20 AUDIT

R. Wirtshafter delivered the treasurer's report. The highlights of the report were notes of CVEC's healthy cash balance of about \$870, 000, increase in expenses due to new personnel expenditure and potential for the next year budget deficit. It was mentioned that the cash reserve offsets the "hit". L. Cakounes noted the discrepancy pertaining to Round 1 Adder amount and said that CVEC will be making adjustments and sending checks to the participants that were erroneously overcharged. The members discussed clearing up aging summaries and reaching out to appropriate parties if necessary. It was mentioned that some large previous fiscal year tax pass through amounts are not to be reimbursed until approved during the towns' meetings in September 2020. L. Cakounes added that T. Nickinello was proactive this year by sending encumbrance letters to towns to avoid tax reimbursement delays. The members proceeded to discuss the voted budget and some updates. Some of the key topics were an increase in personnel expenditure and a new income line due to several projects coming online. L. Argo announced that FY20 audit has begun.

7. DISCUSSION AND POSSIBLE VOTE TO APPROVE CVEC EMPLOYEE HANDBOOK

L. Cakounes started the discussion saying that CVEC had an unapproved Handbook, and with the new person on staff, it was time to have it updated and approved. He continued saying that M. Marasco was charged with updating the CVEC Employee Handbook. The draft of the handbook was distributed. The members were asked to review it and send changes and questions to M. Marasco. L. Cakounes explained that once the changes and suggestions are incorporated to the document, Executive Committee will bring it out for review with the final draft to be voted on at the Annual Meeting in September 2020. L. Cakounes also mentioned that he is taking an initiative to revisit Barnstable County Retirement Board and explore options for CVEC to be accepted. J. Rand, S. Gavin and A. Prince offered several comments on Employee Handbook concerning page formatting, remote working policy, digital data policy and Coronavirus federal regulations.

8. UPDATE AND DISCUSSION ON CVEC MONITORING OF CVEC PV SYSTEMS (COMMERCIAL YEAR-END REPORT) (MONITORING CHART)

L. Argo gave a brief update on the status of the Commercial Year reports. She stated that nearly all the projects are meeting their guaranteed annual energy output amounts. L. Argo noted that West Tisbury came short off of their guaranteed amount and the inquiry was made to the developer. L. Argo reported that T. Nickinello is checking data acquisition systems to identify possible issues at an early stage.

L. Cakounes asked if there any objections to take items out of order due to quorum issues. There were no objections.

14. DISCUSSION AND VOTE ON TOWN OF BARNSTABLE EXTENSION LETTER FOR THE ROUND 1 ADDER THROUGH FY21

L. Cakounes reported that after speaking with Barnstable Town Administrator Mark Ells, it was confirmed that Town of Barnstable is going to commit to R1 Adder payment this fiscal year.

15. DISCUSSION AND VOTE ON ROUND 1 OPERATIONAL ADDER EXTENSION FOR FY22 AT \$0.0025 OR LESS PER KILOWATT HOUR

L. Cakounes began the discussion with giving a brief history insight on the origination of Round 1 Adder. He reported that Round 1 Adder was a voluntarily act of good faith that towns elected to temporarily participate in to support CVEC at the time of CVEC's financial hardship. As CVEC's position is more financially sound now the members rose a question of approaching towns for another round of Adder requests. J. Rand argued that CVEC may have reached the point when Round 1 Adder income is not crucial for survival of the organization. A. Strahler said that Edgartown is against continuation of the Adder. He added that the town was displeased with the past noise issue pertaining to the Nunnepog PV project. Brewster and Barnstable also expressed their opinions against the FY22 Adder. It was decided to put the issue aside and to revise it as necessary going forward.

R. Wirtshafter left the call at 10:00 am

13. PRESENTATION FROM CLEAN FOCUS ON COMPANY FINANCIALS AND POSSIBLE VOTE TO ACCEPT CLEAN FOCUS PARENT GUARANTEE AS FORM OF DECOMMISSIONING FUND FOR ROUND 1 (11MW)

L. Argo reported that the owner and the developer of R1 projects, American Clean Energy, sold the projects to Clean Focus. Sometime after, it was identified that the decommissioning fund was not set up. Clean Focus is asking to use their financials as a parent guarantee as allowed by the contract. L. Argo added that EC and FC met last week and had a chance to review the financials and the guarantee itself, outlining who the parent financier is. L. Argo asked the Board to vote to allow Clean Focus to provide for parent guarantee as a form of financial assurance. C. McLaughlin noted potential large financial exposure and called for a review of the documents by the counsel prior making decisions. He suggested asking the developer to cover legal costs associated with the review. The discussion took place about municipalities' exposure, expected cost of decommissioning and consulting BCK. A. Prince suggested investigating possibilities of a bond. C. McLaughlin agreed that a bond may be a more appropriate form of a guarantee. The discussion took place about the cost of the legal review and the willingness of Clean Focus to cover its cost. C. McLaughlin stressed that Clean Focus in the inferior position as it is their contractual responsibility to provide the guarantee. He added that Clean Focus is risking being in the position of the default.

C. Hanson moved the Board to accept Clean Focus Parent Guarantee as a form of decommissioning fund for Round 1 projects subject to legal review and possible amendments if applicable; furthermore, a review and suggestions of the alternative guarantee options by CVEC attorneys, all legal costs to be paid by Clean Focus, seconded by C. McLaughlin and voted by roll call as follows:

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|----|--------------------------------------|------------|-----|----------------------------------|------------|
| 1. | <i>L. Cakounes, Harwich</i> | <i>Yes</i> | 9. | <i>A. Prince, Eastham</i> | <i>Yes</i> |
| 2. | <i>A. Brandt, CLC</i> | <i>Yes</i> | 10. | <i>B. Saltonstall, Marion</i> | <i>Yes</i> |
| 3. | <i>C. Hanson, Brewster</i> | <i>Yes</i> | 11. | <i>J. Rand, West Tisbury</i> | <i>Yes</i> |
| 4. | <i>L. Hamnquist, Provincetown</i> | <i>Yes</i> | 12. | <i>A. Strahler, Edgartown</i> | <i>Yes</i> |
| 5. | <i>R. Collins, Orleans</i> | <i>Yes</i> | 13. | <i>R. Dreger-Carey, Falmouth</i> | <i>Yes</i> |
| 6. | <i>R. Toole, Oak Bluffs</i> | <i>Yes</i> | 14. | <i>J. Marks, Borne</i> | <i>Yes</i> |
| 7. | <i>T. Leonard-Peck, Dukes County</i> | <i>Yes</i> | 15. | <i>C. McLaughlin, Barnstable</i> | <i>Yes</i> |
| 8. | <i>S. Gavin, Yarmouth</i> | <i>Yes</i> | | | |

The vote carried in the affirmative (15-0-0)

9. UPDATE ON ROUND 4 AND GROUNDBREAKING CEREMONY FOR ROUND 4 MONOMOY HIGH SCHOOL PV SYSTEM

L. Argo gave a brief update on the status of the projects in Round 4. She noted that the projects that were originally contracted and later terminated with Con Edison Solutions and were “picked up” by the developer Greenskies are almost completely contracted. L. Argo informed the members that all the PPA’s and Leases needed to be amended. It was announced that the groundbreaking ceremony at Monomoy School is soon to be taking place, while Oak Bluffs project in Round 4 is to undergo Eversource cluster study. L. Argo noted that although Brewster was given a high interconnection cost for their Round 4 project, the developer brought forward a decrease in the lease allowing for the initiative to move forward. To conclude, L. Argo added that Round 4 projects add to an impressive portfolio of PV initiatives developed under CVEC. C. McLaughlin inquired on retroactive installation of the batteries for some of the existing projects. L. Cakounes expressed a concern about CVEC’s ability to offer administrative services for some of the smaller lease option projects in the absence of the adder. C. Hanson was pleased to see a variety of solar canopies initiatives and noted their positive environmental affect.

10. DISCUSSION ON DISTRIBUTION OF INVITATIONS FOR PARTICIPATION IN CVEC’S PV/STORAGE ROUND 6

L. Argo reported that after the affirmative Board vote to go forward with Round 6 initiative, CVEC made inquiries to different towns about their desire to participate. Several towns were concerned about savings/expense ratio of starting projects with CVEC. L. Argo reported that M. Marasco made a chart outlying the expenses in response to the request. L. Argo mentioned that CVEC is to start booking appearances at Board of Selectmen meetings to present, among other topics, the monetary savings realized by towns while working with CVEC. In addition, the letters will be sent out to towns demonstrating the value of partnering with CVEC.

11. DISCUSSION AND POSSIBLE VOTE ON AUTHORIZATION OF CVEC BOARD PRESIDENT TO WORK OUT ARRANGEMENT RELATIVE TO TAX REIMBURSEMENT COSTS FOR THE BARNSTABLE FIRE DISTRICT PV SYSTEM

L. Cakounes reported that after meeting with Barnstable fire District (BFD), it was agreed that BFD will pay their debt and going forward they verbally agreed to pay full tax amount owed. L. Cakounes said that the special legislature would be helpful for those who would select to opt out of the property tax issue.

12. UPDATE ON PROPERTY TAX LEGISLATION WITH OPTION FOR TOWNS TO DECLINE FROM COLLECTING PROPERTY TAX ON GROUND MOUNTED PV AND SOLAR CANOPIES

L. Cakounes regretted to inform that there are no new developments pertaining to the legislation and that the bill did not make it through this session. He added that it will need refiling.

16. REVIEW AND APPROVAL OF MAY 28, 2020 FULL BOARD, EXEC COMM AND FIN COMM MEETING MINUTES

The Board reviewed May 28, 2020 Board of Directors and Executive and Finance Committees Meeting minutes. The correction was made concerning Town of Sandwich vacant representation in the list of “Absent Were”.

C. McLaughlin moved the Board to accept May 28 Board of Directors, Executive and Finance Committees Meeting Minutes with corrections, seconded by R. Dreger-Carey and voted by roll call as follows:

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|----|-------------------------------|---------|-----|---------------------------|-----|
| 1. | A. Brandt, CLC | Yes | 9. | B. Saltonstall, Marion | Yes |
| 2. | C. Hanson, Brewster | Yes | 10. | J. Rand, West Tisbury | Yes |
| 3. | L. Hamnquist, Provincetown | Yes | 11. | A. Strahler, Edgartown | Yes |
| 4. | R. Collins, Orleans | Abstain | 12. | R. Dreger-Carey, Falmouth | Yes |
| 5. | R. Toole, Oak Bluffs | Yes | 13. | J. Marks, Borne | Yes |
| 6. | T. Leonard-Peck, Dukes County | Yes | 14. | C. McLaughlin, Barnstable | Yes |
| 7. | S. Gavin, Yarmouth | Yes | 15. | L. Cakounes, Harwich | Yes |
| 8. | A. Prince, Eastham | Yes | | | |

The vote carried in the affirmative (14-0-1)

17. UPDATES ON:

A) DY BATTERY ENERGY STORAGE SYSTEM

L. Argo reported that CVEC is waiting for the contract review relevant to DY Battery Energy Storage System.

B) PV/STORAGE INITIATIVE ROUND 5

L. Argo reported that Round 5 is nearly contracted.

C) NEXAMP DARTMOUTH 2/3

It was announced that Nexamp Dartmouth 2 and 3 are online and running.

D) CAPE LIGHT COMPACT TARGETED DEMAND

L. Argo reported that CLC targeted Demand program is currently running and recently had an event.

E) NEXT FULL BOARD MEETING

The next CVEC Annual Full Board meeting was set for Thursday, September 24, 2020 at 9:30 a.m.

18. PRESIDENT'S REPORT

Pres. Cakounes informed the members that CVEC will have elections of Officers at the Annual Meeting in September and encouraged the members to put forward their candidacies. He also urged the members to familiarize themselves with Senate bill 2820, page 22 that, if passed, directly will affect the board members.

C. McLaughlin left the call at 11:40 a.m.

19. DIRECTORS' REPORTS

S. Gavin suggested collecting questions from towns to find out towns' concerns relative to PV projects and added that Yarmouth Energy Committee is looking into Eversource heat pumps. Marion shared the news that the town may be building a new DPW building and there is a consideration of using heat pumps with solar. R. Toole urged members to submit testimonies regarding Windfarm on the island. A. Prince stated that the charging stations and EV topic is up for discussion at Eastham town meeting in September. R. Dreger-Carey said that Falmouth schools are considering EV's.

20. NEW BUSINESS: TOPICS NOT REASONABLY ANTICIPATED BY THE PRESIDENT MORE THAN 48 HOURS BEFORE THE MEETING

There were no new business items

The Board unanimously voted to adjourn at 11:51 a.m.