

**Cape & Vineyard Electric Cooperative, Inc.**  
NOTICE OF REMOTE MEETING  
**EXECUTIVE AND FINANCE COMMITTEES AGENDA**

4th REVISION POSTED 11.22.21 AT 11:30 AM AT [www.cvecinc.org](http://www.cvecinc.org) ORIGINAL POSTED 11.12.21 AT 11:30 AM  
Pursuant to the MA Open Meeting Law, MGL. c. 30A, §§ 18-25, 940 CMR 29.03 1(a) and as amended by Executive Order on 3.12.20  
Suspending Certain Provisions of the Open Meeting Law, notice is hereby given of a meeting of this organization to take place as  
follows:

**Date: Tuesday, November 23, 2021**      **Time: 8:30 am**  
Rescheduled from 11.17.21

**Location: Remote:** Zoom Meeting Join Zoom Meeting <https://us02web.zoom.us/j/3421476981>  
Meeting ID: 342 147 6981    One tap mobile    +13017158592,,3421476981# US (Washington DC)

1. Call to Order

a. Roll Call.

President Lake called the meeting to order at approximately 8.36 am.

Roll call attendance:

Executive Committee: William Lake, Jen Rand, Mariel Marchand-CLC, Charles McLaughlin, Esq.-  
Barnstable,. Absent: Mark Forest.

Finance Committee: Robert Wirtshafter, Chuck Hanson, Charles McLaughlin, Esq.

Also in attendance: Maria Marasco, CVEC

b. Identification of persons attending remotely

Liz Argo of Yarmouthport.

c. Public Comment

Ms. Argo asked the board to review the Executive Session item, Round 6-CVEC Energy Fulfilment regarding the applicable exemption.

2. Approval of Minutes

a. Executive and Finance Committees Remote Meeting Minutes, 9.9.21

*Upon a motion and second, the committees approved the 9.9.21 Minutes:*

*Executive Committee: William Lake-yes; Jen Rand-yes; Mariel Marchand-abstain, Charles McLaughlin-yes*

*Finance Committee: Robert Wirtshafter-yes, Chuck Hanson; Charles McLaughlin, Esq.-yes*

b. President's Report

President Lake reported that Richard Toole, Oak Bluff's representative to the CVEC Board resigned and that Mr. Dion Alley had been appointed. Charles McLaughlin stated that Mr. Toole has been a great help to CVEC.

3. Treasurer's Report

a. Financial Report

Treasurer Robert Wirtshafter asked the Executive Director to present the financial statements. Ms. Marasco indicted that certain income and expense accruals, such as third-party accounts. She indicated that this was an ongoing issue from years past which she discovered. She noted that all operating expense accounts were however accurate. In the process of brining CVEC's bookkeeping processes in house as well as assembling data for the FY 21 audit, she found that CVEC had been back-dating cash receipts and corresponding transactions. Instead of posting the income and expense for the corresponding service period, for example, from Syncharpha, CVEC would post the cash on the date of receipt but back date income and expense. This was failure to post significant accruals. She indicated that she found the lack of attention and passing along of information among CVEC, Glivinski and Peregrine, to be extremely concerning. The intention of the CVEC Integration Project announced in June was based on false assumptions that the "right hand knew what the left was doing", she stated and gave

the example that the Annual production reports for FY 21 which Peregrine prepared did not include the Syncharpha information, for example. She believes that this has been ongoing. While the data is not accurate on a fiscal year basis, she believe the data is sound on a 12-month basis, assuming there are 12-months of data in the report. She informed the committees that it has bene a lot of work to break down each of CVEC's transactions, including CVEC, Glivinski and Peregrine, but she is confident that the hard work has done. She informed the committees that had falsely assumed that the process would only require small adjustments and that she is coming close to recommending scrapping the entire system and starting all over again. However, any final recommendation will happen after meetings with Glivinski and Clifton Larsen Allen which are scheduled for December.

Ms. Marasco informed the committees that it is important to take a macro view first. CVEC has 6 types of projects with corresponding transaction plus Service Agreements and Reconciliations: Third-party PPA with off-takers (OT), Cash Out No OT, Cash Out with OT, Net Metering Credits with OT, Net Metering Credits without OT, and IGAs for Stand-alone leases, plus Reconciliations among Cash out and NMCs OTs and Service Agreements. All of these have their own process, forms and reports. She said that she has begun breaking down each type of project by information needed and identifying data type in anticipation of having a programmer consolidate and improve reports. To give the committees a sense of the complexities of CVEC transactions, Ms. Marasco reviewed the current accounting process for the Barnstable/Cape Cod Gateway Airport and indicated that in addition to the invoices and bills created in Quickbooks, CVEC has created its own additional invoices and bills and reports. In its current form, Quickbooks cannot generate the type of reports that it needed as it is no longer functioning given the number and types of transactions. In addition, she indicated that because CVEC uses the "memo field" instead of item, the data cannot be easily sorted or used and is taking up too much room which may slow down processing.

The Executive Director indicated that CVEC has made a number of corrections:

- Requested ledgers from Eversource directly for Third-party PPA Agreements
- Requested ledgers be sent to Developers
- Started to consolidate and improve "look" of reports
- Begun identifying the "relationships" for a new database
- Changing invoices in QB to be able to be sent out to towns instead of recreating them
- Begun to test best use of QB set up, i.e., utilization of "ITEMS" instead of only "descriptions", memorized transactions, etc.
- Arranged with Peregrine to transition database
- Likely to assign small projects (consolidate spreadsheets) to IT developer
- Arranged with Glivinski to take a hard look at how to improve the way the books were set up, starting with identifying the reports and backing in to the underlying transactions. This requires an understanding of accounting principles and QB.
- Determined to close monthly financials 8 days after close of prior month.

Robert Wirtshafter informed the committees that he shares the Executive Director's concerns and steps toward improving CVEC's accounting systems. He inquired about the auditor's role over the years and suggested CVEC take a full review. In the meantime, he indicated that he and the Executive Director will work to get Quickbook accurate as well as related spreadsheets. He stated that a lot of work has been done to identify the issues. He further stated that the system may have worked in the beginning but is no longer workable under the current number and types of projects.

b. FY 21 Audit

The Executive Director indicated that CVEC completed the FY21 audit list from Clifton Larsen Allen and that she would be meeting with CLA's representative regarding the audit and issues of CVEC's current accounting systems.

c. Banking Resolution- Discussion and vote to Obtain Cape Cod Five Debit Card

The Executive Director notified the committees that CVEC has a Century Bank credit card and that Eastern Bank was taking over Century. In addition, CVEC has a US Bank credit card in the former director's name for CVEC which has not been used and will be canceled. The Executive Director stated that she did not want to provide her personal information to obtain a CVEC credit card and that Cape Cod Five provided debit cards, but no credit cards, to be businesses. Charles McLaughlin inquired about the applicability of Section 12.3 of CVEC's by-laws. Jen Rand made a motion to authorize the Executive Director to obtain a credit card with limitations. After discussion, she amended the motion by adding a limit of \$1,000 per transaction. The Executive Director added that the card will be locked in the office with no access; therefore, there would be no cash withdrawals.

Further, the committees affirmed that the Executive Director should cancel the Century/Eastern Bank and US Bank credit cards.

Upon a motion, amendment and second, the board voted to approve the following banking resolution:  
*Motion: The Executive Committee hereby acknowledges and affirms, subject to Section 12.3 of CVEC's By-laws which allow CVEC's Executive Director to obligate CVEC for no more than \$35,000 annually, that CVEC's current Executive Director Maria Marasco is granted authority to obtain a debit card from the Cape Cod Five Cent Savings Bank for CVEC-use only, and provided that the items are either accounted for in CVEC's annual budget or otherwise approved by the Executive Committee. No individual expenditure may exceed \$1,000 without authorization from the Executive.*

*Executive Committee: William Lake-yes, Jen Rand-yes, Mariel Marchand-yes, Charles McLaughlin-yes.*

*Finance Committee: Robert Wirtshafter-yes, Chuck Hanson-yes, Charles McLaughlin-yes.*

4. Director's Report

a. Operations

The Executive Director reported that she continues to work on the following: Round 4 and 5 Contracting; Catalogue all CVEC's contracts; Decommissioning funds; Service contracts; FY Year-end Activities; Optimize CVEC's processes & Systems; Develop Integrated Database; Project Management Tools; CVEC Financial and Policy Analysis and Development; Public Relations; Web site and Board/Member Communications. She stated that in addition to putting out fires, she has had to take a deeper dive into each transaction to be able to identify solutions, and that she has had to split up the Integration Project (building a computer based data system) into three phases, in which further streamlining and automation is expected: Phase I

Contract data only; Phase II Project management alerts; and, Phase III Internal transaction calculations (consolidate) Coordination with QuickBooks

b. Annual Reports

Because the FY 21 reports prepared by Peregrine did not include a number of income and expense accruals, e.g., Syncarpha, the Executive Director informed the committees that while the reports are inaccurate on a fiscal basis, they appear to report what has always been reported in prior years. Per CLA, they thought Peregrine was reconciling all projects. However, those reports were based on whatever CVEC provided. Without objection, the Executive Director will discuss with CLA auditors what information should be provided to members and participants. The Executive Director stated that she is aware that third-party PPA information is not properly recorded, but cannot say whether or not the reports fail to capture "late" reported information; i.e., transaction information received by CVEC after Peregrine generated the reports.

Charles McLaughlin raised concerns about changing to new auditors given their history with CVEC. After discussion, the Executive Director was asked to address whether or not CVEC should be on an accrual or cash basis.

c. DOER Grant Status Report

The Executive Director reported that the Ameresco is waiting to hear from Eversource regarding follow-up answers provided by Ameresco

d. Service Agreements, Vote to Authorize Executive Director to Execute

The Executive Director reported that while the Town of Yarmouth had renewed its service contract with CVEC on July 1, the other municipal agreements were either in process. Because there was no consistent contract, the Executive Director asked BCK to prepare standard contracts for members and non-members. These contracts will become CVEC's standard contracts with a term ending June 30. Because the renewals will utilize a new contract form, the Executive Director requested specific authorization to renew the service agreements.

*Upon a motion and second, the Executive Director was authorized to execute service contract renewals with the Towns of Yarmouth, Dennis, Provincetown and Sandwich.*

*Executive Committee: William Lake-yes; Jen Rand-yes; Mariel Marchand-yes; Charles McLaughlin-yes  
Finance Committee: Robert Wirtshafter-yes; Chuck Hanson-yes; Charles McLaughlin-yes*

5. Project Reports

a. Status of Rounds 4 and 5 Projects

The Executive Director provide d a list of the status of Rounds and 5 projects, indicating that 11 projects were in Eversource Group Studies. (Attached) She stated that she updated the respective members on the status of the Eversource studies via an October email.

i. Aquinnah Town Hall PPA, ratification/approval of PPA

The Executive Director indicated that there were no CVEC signatures on the PPA contract between CVEC and ACE and that it was CVEC's previous practice to obtain multiple signature pages and affix them after receipt from the developer. She indicated that the IGA has already been signed ocotner 8, 2020.

Upon a motion and second, the Executive Committee voted to ratify and alternatively approved the PPA between CVEC and ACE for the Aquinnah Town Hall project.

Executive Committee: William Lake-yes; Jen Rand-yes; Mariel Marchand-yes; Charles McLaughlin-yes

ii. Nauset RSD Amendment to PPA-Discussion and vote

CVEC had received a letter from both the Nauset Regional School District and DSD to amend the PPA price for the Nauset middle School project. The parties requested a new PPA price, a change in the Outside Commercial Operation and Construction dates to 540 days, and for DSD to reduce the PPA price upon a reduction in streeel prices more than 10% based on a current quoted price.

Upon a motion and second, the Executive Committee voted to accept the parties request and amend the PPA price to \$.145/kWh, extend the Outside Construction and Commercial Operation Dates to 450 days, and to incorporate a reduction in the PPA price upon a reduction of steel pricing by 10% or more.

Executive Committee: William Lake-yes; Jen Rand-yes; Mariel Marchand-yes; Charles McLaughlin-yes

Finance Committee: Robert Wirtshafter-yes; Chuck Hanson-yes; Charles McLaughlin-yes.

iii. Status of Round 2 & 3 Projects, Decommissioning- Discussion and possible vote

In regard to Round 2 projects, the Executive Director reported that she had been informed by Century Bank, which holds an escrow account for Decommissioning Assurance Funds for all Round 2 Projects, that only one developer G&S and CVEC had executed the Escrow Agreement. Assignees from G&S original projects had not signed the agreement. He indicated that Century had notified CVEC's former staff over a year ago. The issues are: Century Bank is becoming Eastern Bank; CVEC needs to inform all developers contributing to the escrow of the change in routing numbers; CVEC has to address the why assignees are not formerly included on escrow

agreement, and arrearages of some assignees. The Director reported that the bank has no running balance by developer, but Tatisana has kept an accounting. The members advised the Executive Director to informally notify the developers of any arrearage, in addition to the account changes, and to explore alternative banking institutions for the escrow. Former staff Liz Argo informed the committees that she had asked BCK law to address the escrow and that there may be some correspondence from them.

In regard to Round 3 projects, the Executive Director informed the board that KP Law which represents Provincetown suggested to both CVEC and the developer Sunwealth the use of MGL c. 44, s. 53G1/2 which allows towns to hold deposits monies to ensure that upon cessation of operations or abandonment of a solar PV facility, that the facility is decommissioned and removed in the event the developer has not or cannot. She stated that the former director's plan for there to be one escrow account with CVEC and all other towns (Provincetown VMCC and Water Treatment; Oak Bluff Fire Station, Eastham Library, Chatham Fire Station, and Yarmouth Fire Stations 1 and 3) as named parties was not provided for under the contracts, but that the towns and the developer could negotiate their own agreements. Because Provincetown did not agree through counsel, CVEC sent all other affected towns an email and the opportunity to use MGL c. 44, s. 53G ½ as suggested by KP Law's Matt Fehrer.

The Executive Director shared NREL's "Best Practices at the End of Photovoltaic System Performance Period" ([nrel.gov](http://nrel.gov)), Section 3.1 Decommissioning Scope of Work and Cost Estimate and inquired if CVEC had any existing policy regarding decommissioning. Liz Argo asked to speak and told the committee members that the decommissioning amounts for prior years was done during negotiations. William Lake stated that it would be good for CVEC to obtain a recommendation of an approach. Vice President Rand agreed.

## 6. Other Business

There was no other business.

## 7. Executive Session

- a. Discussion of matters conducted by a cooperative consisting of governmental entities organized pursuant to section 136 of said chapter 164, pursuant to MGL c. 30A, s. 21 (a) 10  
*William Lake notified the attendees of the items to be taken up in Executive Session. There was a motion and second to enter into Executive session under MGL . 30, s. 21(a) 10 and to discuss the items. Liz Argo, the only member of the public in attendance, existed the remote session. Further, the motion stated that the committees would resume the meeting to adjourn with no further business.*  
*Executive Committee: William Lake-yes; Jen Rand-yes; Mariel Marchand-yes; Charles McLaughlin-yes*  
*Finance Committee: Robert Wirtshafter-yes; Chuck Hanson-yes; Charles McLaughlin-yes*
  - i. Approval of Executive Session Minutes 9.9.21
  - ii. Round 6 Procurement
  - iii. CVEC renewable energy fulfillment

## 8. Adjournment. The meeting adjourned at approximately 10:30 am.

Approved April 14, 2022