

Cape & Vineyard Electric Cooperative, Inc.
BOARD OF DIRECTORS ANNUAL MEETING MINUTES
May 23, 2024 REMOTE ZOOM
8:30 AM

1. Call to Order

a. Roll Call & Identification of persons attending remotely via Zoom.

The President called the meeting to order at 8: 32 am.

Aquinnah	William Lake	Present	Harwich	Glenn Miemic	Present
Barnstable	Vacant		Marion	Alanna Nelson	Present
Barnstable County	Mark Forest	Present	Mashpee	Wayne Taylor	Present
Bourne	Catherine Walton	Present	Nantucket	Lauren Sinatra	Absent
Brewster	Charles Hanson	Present	Oak Bluffs	Dion Alley	Absent
Cape Light Compact (CLC)	Mariel Marchand	Present	Orleans	Ronald Collins	Present
Chatham	Robert Wirtshafter	Present	Provincetown	Lydia Hamquist	Absent
Chilmark	Stephen Lewenberg	Present	Sandwich	Paul Coteus	Present
Dennis	Tom O'Connor	Absent	Tisbury	Bill Straw	Present
Dukes County	Tain Leonard-Peck	Absent	Truro	Vacant	
Eastham	Vacant		West Tisbury	John Christenson	Absent
Edgartown	Alan Strahler	Present	Yarmouth	Joseph Baker	Present
Falmouth	Rosemary Carey	Present			

b. Public comment

Former Director, Executive Committee Member and Finance Committee Member Charles McLaughlin was in attendance now as a member of the public, having retired as legal counsel to the Town of Barnstable. He has been a part of CVEC's organization since its inception. David Anthony, Director of Risk Management for the Town of Barnstable will soon be appointed as Barnstable Director. He, too, has been involved with CVEC and its projects in Barnstable since CVEC's inception.

2. Approval of Minutes

a. Board Meeting Minutes 9.21.23

Upon a motion and second, the Board approved the BOD Annual Meeting minutes of 9.21.23

Aquinnah	William Lake	Yes	Harwich	Glenn Meimic	Yes
Barnstable	Vacant		Marion	Alanna Nelson	Yes
Barnstable County	Mark Forest	Yes	Mashpee	Wayne Taylor	Abstain
Bourne	Catherine Walton	Yes	Nantucket	Lauren Sinatra	NA
Brewster	Charles Hanson	Yes	Oak Bluffs	Dion Alley	NA
Cape Light Compact (CLC)	Mariel Marchand	Yes	Orleans	Ronald Collins	Yes
Chatham	Robert Wirtshafter	Yes	Provincetown	Lydia Hamquist	NA
Chilmark	Stephen Lewenberg	Yes	Sandwich	Paul Coteus	Yes
Dennis	Tom O'Connor	NA	Tisbury	Bill Straw	Abstain
Dukes County	Tain Leonard-Peck	NA	Truro	Vacant	NA
Eastham	Vacant	NA	West Tisbury	John Christenson	NA
Edgartown	Alan Strahler	Yes	Yarmouth	Joseph Baker	Yes
Falmouth	Rosemary Carey	Abstain			

b. **Executive Committee and Finance Committee Meeting Minutes 5.9.24**

Upon a motion and second, each committee approved the minutes of 5.9.24.

Executive Committee: W Lake-yes, M. Forest-yes, A. Nelson-yes, M. Marchand-yes

Finance Committee: R. Wirtshafter-yes, C. Hanson-yes

3. **President's Report**

a. **Announcement of New Directors.** President Lake announced and welcomed the following new directors; Paul Coteus, Sandwich; Erich Mettler, Edgartown. President Lake thanked former Director McLaughlin for his notable year of service to CVEC and that he will be working as a consultant on preparing for a strategic planning process.

b. **Discussion of Strategic Planning Process**

President Lake informed the board that Mr. McLaughlin, the Director and he started preliminary research to evaluate what CVEC is currently doing and what it could possibly be doing in the future. The research will start with the basic foundational documents and policies established by CVEC. He anticipates presenting the information at the Annual Meeting, addressing in part What is CVEC's role in the changing renewable energy environment.

c. **Discussion: Annual Meeting possible in-person meeting.**

William Lake asked for Board comment holding its Annual Meeting as a hybrid meeting; i.e., in person and via Zoom. He suggested using the Cape Light Compact meeting room. Director Nelson stated that she looked forward to an in-person meeting. Director Forest suggested use of the Barnstable County conference center space, as well. The Director will pursue availability of the venues and indicated that the meeting may be coupled with a ribbon-cutting ceremony for the battery project. The MA DOER has raised the possibility of the event.

4. **Treasurer's Report**

a. **Preliminary Financial Reports Ending 3.31.24**

The Executive Director reported that numbers align well with the budget, except for the projection of Forward Capacity Market Income which was overestimated and the unforeseen expenditure of the switchgear at the Dennis-Yarmouth High School for the battery project. She reviewed the sources of funds, of what monies are pass-through and those monies that are attributable to CVEC's operations. She also indicated that the MA DOER is likely to reimburse CVEC for the switchgear.

b. **FY 25 Budget: Discussion and Vote**

Treasurer Wirtshafter informed the board that the Executive and Finance Committees reviewed and recommend approval of the FY 25 budget. A one-time infusing of income is anticipated to come from CVEC's submission for Direct Pay under the IRA for the battery. Since the project was funded by a grant, the "excess benefit" rule applies wherein the grant funds are deducted from the total cost to arrive at the estimated direct pay to CVEC. CVEC has engaged Baker Tilly accounting firm to process the IRS application. See attached budget.

5. **Director's Report**

a. **CVEC Operations**

i. BESS. The Director informed the Board that the battery test was successful, and the batteries commissioned. Ameresco is working with the battery vendor STEM to complete operations and is working with Eversource to obtain a meter. She stated that the project began in 2016 under a MA DOER resiliency grant, that CVEC has forfeited the

contract, and that she and President Lake were able to have the contract reinstated in 2021. After a number of delays due to supply chain issues, the project is expected to be completed on or before June 30, 2024 when CVEC will receive the balance of grant funds from the MA DOER. She indicated that CVEC will have to address its eligibility for Direct Pay as CVEC's Public Letter Ruling from the IRS in 2008 may be limited in scope.


ii. **CVEC project Rounds: CVEC-7, Rounds 1-6**

The Director stated that CVEC will be reaching out to the towns participating in Round CVEC-7 to determine if the project terms should be extended. Bourne had indicated that it wanted the Bourne Middle School solar array removed at the end of term; however, Director Walton from Bourne stated that she has spoke with representative in Bourne and has additional information to share with CVEC.

The Director stated that Rounds 1 and 2 are operating well and that in early June Eversource will be changing all the account numbers . This presents a likely strain on CVEC's operations as CVEC oversees hundreds of allocatee accounts. She also reported that the decommissioning deposit accounts for Round 3 projects and held by the respective towns are finally in place.

She stated that CVEC is still waiting for the MA DPU to approve the Capital Improvement Plan for it to see the construction of outstanding R4 and R5 projects (below). She stated that CVEC and the towns of Mashpee, Sandwich and Yarmouth had met with the MA DPU at the request of Representative Dave Viera at the request of Mashpee and that CVEC has been in communication with the towns on a ongoing basis. She reported that the MA DPU responded to CVEC's repeated inquiry about the docket approval, and in April the MA DPU responded "[T]his proceeding is a top priority..." In addition, the Director reported that CVEC made a Request for Assurances from DSD, the developer of these projects primarily because DSD had failed to maintain all projects in their original SMART Block. DSD represented that they will refresh the costs and engineering plans since these projects were contracted in 2019 and 2020 and will address their viability.

CVEC Projects



Rounds 4 & 5	Name of PV System	Developer	Round	Eversource WO #	D-Group Study	CIP kW	CIP Fee	CIP Cost	POI Cost	Total Cost in CIP Filing
Marion	Marion Capped Landfill	DSD	5	2401247	Marion-Fairhaven	1700	\$ 385	\$ 654,500	\$ 226,435	\$ 880,935
Mashpee	Mashpee Coombs School Canopy	DSD	5	2401235	Cape					
Mashpee	Mashpee Coombs School Roof	DSD	5			673	\$ 410	\$ 275,930	\$ 182,699	\$ 458,629
Mashpee	Mashpee High School Canopy	DSD	5	2400260	Cape	1490	\$ 410	\$ 610,900	\$ 182,699	\$ 793,599
Mashpee	Mashpee Quashnet School Canopy	DSD	5	2400979	Cape					
Mashpee	Mashpee Quashnet School Roof	DSD	5			2075	\$ 410	\$ 850,750	\$ 182,699	\$ 1,033,449
Oak Bluffs	Oak Bluffs Capped Landfill	Green Skies	4	2392014	Cape	1000	\$ 410	\$ 410,000	\$ 128,053	\$ 538,053
Sandwich	Sandwich Forestdale School	DSD	4	2349583	Cape	500	\$ 410	\$ 205,000	\$ 134,892	\$ 339,892
Sandwich	Sandwich High School	DSD	4	2349579	Cape	2562	\$ 410	\$ 1,050,420	\$ 186,058	\$ 1,236,478
Sandwich	Sandwich Hollows Golf Course Cart	DSD	4	2401361	Cape	475	\$ 410	\$ 194,750	\$ 687,307	\$ 882,057
Sandwich	Sandwich Oakridge School	DSD	4	2349576	Cape	499	\$ 410	\$ 204,590	\$ 173,031	\$ 377,621
Yarmouth	Yarmouth Parcel E	DSD	4	2348526	Cape	499	\$ 410	\$ 204,590	\$ 134,892	\$ 339,482

The Director informed the Board that the lessons learned from Round 6 RFP, resulting in only one award to Ameresco for a solar project at the Orleans DPW were: Declining number of qualified developers interested in type/size of projects; Declining incentives from SMART affecting PPA costs New incentives from IRA at odds with high of cost of capital and lingering supply chain issues; Desk top analysis insufficient; Average cost to perform sufficient analysis of RFP for average project size is between about \$4,500 not including legal fees of staff time;

The towns' rejections of bids indicate that saving money is motivating factor, and premium for solar/battery will

require creative solution to offset higher costs; and, CLC Municipal Competitive Electric Supply Agreement (MCESA) at \$0.13665/kWh for next 3 years is strategic benefit for participants and CLC and Director Marchand should be congratulated.

The Director informed the Board that staff is working on an updated Board Welcome Package to provide the directors with key CVEC materials.

6. Other Business

There was no other business.

7. Meet the Developer/Greenskies/Clean Focus

Bill Peltz, Director of Asset Management was introduced to the Board. The matter was tabled to be held as an information-only meeting after adjournment to be able to accommodate those members who might have to leave. Greenskies/Clean Focus is the developer for Round 1 projects, the Oak Bluffs Elementary School, and the Harwich Cranberry Golf Course.

8. Adjournment

a. Upon a motion and second, the board voted to adjourn.

Aquinnah	William Lake	Yes	Harwich	Glenn Miemic	Yes
Barnstable	Vacant	NA	Marion	Alanna Nelson	Yes
Barnstable County	Mark Forest	Yes	Mashpee	Wayne Taylor	Yes
Bourne	Catherine Walton	Yes	Nantucket	Lauren Sinatra	NA
Brewster	Charles Hanson	Yes	Oak Bluffs	Dion Alley	NA
Cape Light Compact (CLC)	Marisel Marchand	Left mtg 9:30 am	Orleans	Ronald Collins	Yes
Chatham	Robert Wirtshafter	Left mtg 9:30	Provincetown	Lydia Hamquist	NA
Chilmark	Stephen Lewenberg	Yes	Sandwich	Paul Coteus	Yes
Dennis	Tom O'Connor	NA	Tisbury	Bill Straw	Yes
Dukes County	Tain Leonard-Peck	NA	Truro	Vacant	
Eastham	Vacant	NA	West Tisbury	John Christenson	NA
Edgartown	Alan Strahler	Yes	Yarmouth	Joseph Baker	Yes
Falmouth	Rosemary Carey	Yes			

The meeting adjourned at approximately 10 am.

Approved 9.26.24

CVEC Operating Budget FY 25

	FY 24	FY 25
	CURRENT YEAR	Approved Exec and Fin Comms, 5.9.24
INCOME		
<i>Project Income</i>	0	0
Program Income		
BESS Income	48,853	-
Fwd Cap Mrkt ATM-CleaPOWER	21,793	22,000
Member Dues	0	0
Member Services Income	28,500	28,180
Donations/Grants	0	0
Fwd Cap Mrkt ATM-CleaResult	107,591	70,992
RECS from CLC	41,760	41,760
Subtotal	206,737	162,932
Project Adders		
CVEC C7 Adder	0	0
R1 Adder	0	0
R2 Adder	156,000	162,000
R3 Adder	5,000	7,000
R4 Adder	5,600	7,100
R4 Fee	7,850	-
R5 Adder	6,345	7,372
R5 Fee	900	-
FGW Adder	7,800	8,200
Nexamp D1-D3 Adder	34,000	41,000
Syncarpha Adder	25,000	25,000
Subtotal	248,495	257,672
Other Income		
Grant Income	544,232	-
IRA Direct Pay Refund	-	246,000
Interest on CDs	-	3,500
	544,232	249,500
Total Income after Grant	999,464	670,104
EXPENSES		
Project Expenses		
CVEC 7 RECS	\$ (41,760)	\$ (41,760)
Consulting	(30,000)	(30,000)
Legal Fees -Projects	(30,000)	(15,750)
FCM Commission	(5,993)	(6,050)
On Peak Commission	(26,898)	(17,748)
Participant Reimbursements	0	0
Subtotal Projects	(134,651)	(111,308)
New Project Expenses		
Consulting	(25,000)	-
Legal Fees- Rounds	(15,000)	-
Participant Fees	29,500	-
Subtotal Projects	(10,500)	-
Battery/Grant Expenses		
DOER/CCERI Direct	\$ (544,232)	-
DOER CCERI Other	-	0
DOER CCERI Matching	-	0
Property Insurance	(5,100)	(5,100)
Lease to DYRS	(5,417)	(6,500)
Commissions	\$ (6,685)	-
Line of Credit	\$ (8,333)	\$ -
O&M, Consumables	-	\$ -
Acctg/Admin (IRA COSTS)	-	\$ (50,000)
Subtotal Grant	(569,767)	(61,600)

Payroll		
Executive Director	(151,670)	(128,670)
Exec Director Ira Cont	-	(23,000)
Subtotal Director	(151,670)	(151,670)
Business & Project Administrator	(48,953)	(60,000)
Finance Administrator	(7,280)	(12,480)
Temporary Staff	\$ (3,900)	-
Payroll taxes	\$ (15,905)	(15,388)
Employee Benefits	-	-
Subtotal Payroll	\$ (227,708)	(239,538)
Contracted Services		
Audit Fees	\$ (21,000)	(23,000)
IRA Accountants	\$ -	(7,500)
1099 Contractors	\$ -	0
Accounting	\$ (1,250)	-
Energy Consultants	\$ -	0
Info Technology	\$ (1,000)	(1,250)
Legal Services-general	\$ (25,000)	(14,600)
Legal services- Special	\$ -	-
Payroll Services	\$ (1,000)	(1,000)
Payroll Employer IRA	-	-
Special Projects	\$ -	0
Subtotal Contracted Services	\$ (49,250)	(47,350)
Office Expenses		
Advertising & Promotion	(250)	(250)
Bank Fees	(950)	-
Board Expenses	(50)	(400)
Dues & Subscriptions	(1,439)	(1,500)
Filing Fees	(175)	(175)
Insurance	(15,750)	(14,000)
IT Expense- software, other	(3,343)	(3,555)
Office Rental	(14,544)	(14,400)
Office Supplies	(3,000)	(2,000)
Other/Misc	(5,000)	(5,000)
Professional Development	(250)	-
Travel Expenses	(500)	(500)
Utilities	(2,136)	(2,544)
Subtotal Office Expenses	(47,387)	(44,324)
Corporate Taxes	(456)	(456)
Total Operating Expenses	\$ (1,039,719)	(504,576)
Net Income (Loss)	(40,254)	165,528