

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, November 4, 2020**

Pursuant to Massachusetts Governor Charles D. Baker's Order Suspending Certain Provisions of the Open Meeting Law on March 12, 2020, the Cape Light Compact JPE Board of Directors met on Wednesday, November 4, 2020 at 2pm. The meeting was held through a Zoom videoconference for members of the Board with audio call-in available for members of the public.

Participating Remotely Were:

1. David Anthony, Secretary/Executive Committee, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Robert Schofield, Executive Committee, Bourne
4. Colin Odell, Brewster
5. Peter Cocolis, Executive Committee, Chatham
6. Jillian Goldsmith, Chatham Alternate
7. Timothy Carroll, Chilmark
8. Brad Crowell, Dennis
9. Erik Peckar, Dukes County
10. Fred Fenlon, Eastham
11. Alan Strahler, Edgartown
12. Ronald Zweig, Chair/Executive Committee, Falmouth
13. Valerie Bell, Harwich
14. Wayne Taylor, Mashpee
15. Martin Culik, Executive Committee, Orleans
16. Nathaniel Mayo, Provincetown
17. Leanne Drake, Sandwich
18. Richard Elkin, Wellfleet
19. Sue Hruby, West Tisbury
20. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth

Absent Were:

1. Forrest Filler, Aquinnah
2. Richard Toole, Executive Committee, Oak Bluffs
3. Kirk Metell, Tisbury
4. Jarrod Cabral, Truro

Legal Counsel Participating Remotely:

Jeffrey Bernstein, Esq., BCK Law, P.C.

Staff Participating Remotely:

Maggie Downey, Administrator
Melissa Allard, Senior Administrative Coordinator

Public Participants:

None.

Ron Zweig called the meeting to order at 2:02 PM.

PUBLIC COMMENT:

There was no public present, and no public comments were submitted to the Board in writing under the public comment guidelines.

APPROVAL OF MINUTES:

The Board considered the October 14, 2020 Open Session Meeting Minutes.

Robert Schofield moved the Board to accept the minutes as amended and to release them as amended, seconded by Martin Culik.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Abstained
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes

Motion carried in the affirmative (14-0-1)

2020 OPERATING AND ENERGY EFFICIENCY BUDGET REPORTS:

Peter Cocolis reviewed the 2020 Operating Budget. He stated that the Compact has spent 65% of the budget to date. OPEB and pension liability expenses will be paid at the end of the year. He stated that after talking to Maggie Downey he estimates that the Compact will end up with approximately \$100,000 of unspent 2020 Operating Budget funds. Unspent funds will go back into the power supply reserve. The 2021 operating budget is appropriated from the power supply reserve.

Peter Cocolis reviewed the Energy Efficiency Budget. 50% of the budget has been spent to date. He stated that around \$3 million will be paid in this week's accounts payable warrant. The Compact should be in the neighborhood of spending the majority of its budget for 2020; however, the Compact will not know until it closes its 2020 records (around March).

REVIEW AND POTENTIAL VOTE ON EXECUTIVE SESSION MEETING MINUTES REGARDING PERIODIC REVIEW UNDER THE MASSACHUSETTS OPEN MEETING LAW:

Maggie Downey stated as mentioned at the last Board Meeting, the Board needs to vote to authorize her, Counsel, and the Secretary to review the executive session minutes and periodically release minutes where the original purpose for keeping them confidential is no longer applicable.

Robert Schofield moved the Cape Light Compact JPE (“Compact”) Board of Directors vote to authorize the Compact Administrator, Compact Counsel, and Secretary to periodically review all unreleased executive session minutes no less often than once every six months and report back to the Governing Board in open session with their determinations regarding continued withholding of such minutes. Should either the Compact Administrator or Secretary be unavailable to conduct this periodic review within each six-month period, either one, along with Compact Counsel, may conduct such a review.

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Richard Elkin.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

REVIEW AND DISCUSS PROPOSED CALENDAR YEAR 2021 OPERATING BUDGET:

Maggie Downey stated the \$265,805.75 beginning power supply reserve balance will increase by approximately \$100,000 because that balance does not include what was left in the Operating Budget at the end of 2019, which should have been transferred into the power supply reserve fund.

Maggie Downey reviewed the proposed 2021 Operating Budget. She stated that she sent the Board an overview of the Compact’s projected legal services costs and the different subject matters. The biggest two are power supply related. She stated that advertising line item has been reduced. The Compact was doing a lot of which does not seem necessary due to COVID-19.

Bob Schofield asked why the line item for rent has increased. Maggie Downey stated the rent has not increased, but the allocation of shared costs between the operating and energy efficiency budgets has changed resulting in a line item increase in the operating budget for rent and a decrease in the energy efficiency budget for rent.

Colin Odell stated this is the first year of setting aside funds toward the Compact's goal of a setting aside \$250,000 for the contingency fund.

Richard Elkin proposed putting the money left over from the 2019 Operating Budget surplus (\$100,000) into the contingency fund. Maggie Downey stated that she can bring it back as a vote to increase the contingency fund to \$185,000. Richard Elkin stated he would like to know what other Board Members think. With the risk we are taking on from the RESP loan this could be helpful. Peter Cocolis stated that the Compact is not sure about how much money will be left over. Maggie Downey stated that she can put in \$185,000 for now and at the time of the vote the Board can decide to increase or decrease any line items based on updated information.

David Anthony stated that to put this into context, the Administrator has the ability to move from line-to-line operation dollars. Maggie Downey stated, yes, the Administrator is authorized to move all line items except for salary dollars. David Anthony asked how the Compact can access the contingency fund now that it's set up. Maggie Downey stated it is set up as a separate fund in MUNIS. David Anthony asked if the Compact were to appropriate funds out of the contingency fund would that have to come back to the Board for approval first. Maggie Downey answered, yes, the Board appropriates funds.

UPDATE ON RURAL ENERGY SAVINGS PROGRAM (RESP) LOAN FROM THE RURAL UTILITIES SERVICE (RUS), POTENTIAL VOTE ON RESOLUTION AND TO EXECUTE REQUIRED LOAN APPLICATION DOCUMENTS:

Maggie Downey reviewed the U.S. Department of Agriculture Rural Energy Savings Program (RESP) PowerPoint. The Compact submitted of letter of intent on May 29th. It was approved and the Compact was invited to proceed with the loan application on August 17th. She stated the Compact is preparing the loan application checklist. Colin Odell, Richard Elkin, and Martin Culik worked with Chris Rogers, Counsel, and herself on preparing long range financial documents.

Maggie Downey reviewed the Compact's RESP design. The loans will be between the Compact and the Customer (residential and small commercial customers). The Compact is awarded 50% of the loan amount in year one and is anticipating 50-100 loans. The Compact will charge up to 3% interest rate and the term of the loan will be 10 years. The eligible projects are all energy efficiency measures in the Compact Technical Resource Manual (TRM) and other measures eligible for Compact energy efficiency incentives, plus solar PV, battery storage, residential EV, and roof/repair replacement when paired with a solar loan. The Compact will have a third-party administrator establish a separate bank account for RUS funds, credit check potential borrowers, and invoice borrowers. The Compact will establish a loan loss reserve of 1% of total amount borrowed from RUS. The Compact will also propose posting a \$1.4 million letter of credit.

Chris Rogers stated that in the early stages he was asked to determine what the true start up costs and annual costs will be. The startup costs consist of upfront legal costs and application development. He stated that it is a RUS requirement to establish a loss reserve. The rate on loan loss for Heat Loans is less than 1%. The Compact decided to establish a loan loss reserve at 1% of the total amount of the RESP loan to be conservative. After talking to RUS it communicated with Compact representatives that the lowest loan loss reserves were set at 1.5% but those are negotiable terms. Chris Rogers stated as of right now he is comfortable arguing for 1%.

Chris Rogers stated that looking at annual costs the Compact is estimating each loan will be around \$33,000 which would be 150 loans in total. In estimating costs, he also added an additional 50 applications that will be

reviewed but ultimately denied. He stated there is a cost for the application review which will be outsourced which will be around \$34,000 in total. There is a loan origination fee that is based on conversations Compact representatives had with Cape Cod 5. He stated that as Maggie Downey had mentioned, before procuring the services of a third party the Compact has to go through an RFP process. Therefore, those numbers may change.

Chris Rogers stated because the Compact will be receiving federal dollars for this project it will be subject to a single audit for the 12 years which is estimated to cost \$96,000 per year initially, declining thereafter.

Peter Cocolis stated that the lowest interest rate the Compact can get for the customer is what should be done. He asked if there was any discussion about paying anything out of the Operating Budget and how it does not give equal access to those who are paying into the Operating Budget. Maggie Downey stated that it was discussed at great length. She stated that it was decided to go with option B as a recommendation which is to have the borrowers fund all associated costs. Martin Culik and Colin Odell stated that is correct. Colin Odell stated that option B is still at least .5% less than the commercial solar marketplace loans being offered on the Cape and Vineyard.

Sue Hruby stated that with the work put in by the Board Members she is comfortable with what she is seeing. She asked if the Compact would be able to change the interest rate in the future if the market rate were to change. Richard Elkin stated that interest rate is fixed for the 10 years and the majority of the loans will go out within the first two years of the program.

Martin Culik moved the CLC JPE Board of Directors vote to adopt the attached Resolution as part of its loan application to the US Department of Agriculture Rural Utilities Service and to direct staff to prepare the RESP loan application, with an interest rate less than three percent (3%), inclusive of all Compact costs to administer the program, and to submit it by the December 2016, 2020 deadline.

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Colin Odell.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

Colin Odell moved that the CLC JPE Board of Directors vote to authorize the Treasurer and/or the Compact Administrator to execute loan documents with the Rural Utilities Service on behalf of the Cape Light Compact JPE, and attest to the execution where required.

The Compact Administrator and Treasurer is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Richard Elkin.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

ADMINISTRATOR’S REPORT, MAGGIE DOWNEY:

Maggie Downey stated that energy efficiency advisory council (EEAC) workshops for the next 3-year plan have started and Eric Peckar and Peter Cocolis have participated and made comments. She stated she will let the Board know of future dates so they can participate if they want.

ADJOURNMENT:

Motion to adjourn made at 5:08 PM moved by Robert Schofield, seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes

Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (18-0-0)

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- October 14, 2020 Draft Meeting Minutes
- 2020 Operating Budget
- 2020 Energy Efficiency Budget
- Proposed 2021 Operating Budget
- U.S. Department of Agriculture Rural Energy Savings Program (RESP) PowerPoint