

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, December 8, 2021**

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, December 8, 2021 at 2 p.m. 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. Francis Erdman, Bourne Alternate
5. Colin Odell, Executive Committee, Brewster
6. Peter Cocolis, Chatham
7. Timothy Carroll, Executive Committee, Chilmark
8. Brad Crowell, Dennis
9. Erik Peckar, Dukes County
10. Alan Strahler, Edgartown
11. Matthew Patrick, Falmouth
12. Valerie Bell, Harwich
13. Wayne Taylor, Mashpee
14. Martin Culik, Chair/Executive Committee, Orleans
15. Nathaniel Mayo, Provincetown
16. Leanne Drake, Sandwich
17. Bob Higgins-Steele, Truro Alternate
18. Richard Elkin, Executive Committee, Wellfleet
19. Sue Hruby, West Tisbury
20. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth
21. Mike Duffy, Yarmouth Alternate

Absent Were:

1. Forest Filler, Aquinnah
2. Fred Fenlon, Eastham
3. Wayne Taylor, Mashpee
4. Dion Alley, Executive Committee, Oak Bluffs
5. Leanne Drake, Sandwich
6. Kirk Metell, Tisbury
7. Jarrod Cabral, Truro

Legal Counsel Participating Remotely:

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

Staff Participating Remotely:

Dan Schell, Senior Analyst

Maggie Downey, Administrator

Mariel Marchand, Power Supply Planner
Melissa Allard, Senior Administrative Coordinator

Public Participants:

None.

Martin Culik called the meeting to order at 2:00 PM.

PRESENTATION ON 2020 CAPE LIGHT COMPACT AUDITED FINANCIAL STATEMENTS, JENNIFER COOK, CLIFTON, LARSEN, ALLEN, LLP:

Martin Culik stated before turning it over to Jennifer Cook from Clifton, Larsen, Allen, LLP (CLA), that the Compact's financial statements are presented in draft form as is the practice until reviewed by the Board. The financial statements will be finalized after today's meeting.

Jennifer Cook reviewed the Cape Light Compact JPE 2020 Audit Exit Meeting PowerPoint.

Jennifer Cook reviewed the terms of CLA's engagement and noted that its review expresses an opinion whether the Compact's financial statements are presented in accordance with General Accepted Accounting Principles (GAAP), and provides a report on internal controls over financial reporting and compliance with laws, regulations, contracts, and grants.

Jennifer Cook gave a high-level overview as it compared to December 31, 2019, financials. She stated there is a large increase in current assets, which is the cash receivables, and in the current liabilities, which is the timing difference on when warrants are paid, and which therefore fluctuates from time to time. She stated that another change is the noncurrent liabilities which are the Other Post-Employment Benefits (OPEB) and Pension liabilities.

Jennifer Cook stated that the operating revenues changed by 31% and about \$10 million of this was an increase in the energy efficiency revenue, offset by about a \$750,000 decrease due to the loss of Regional Greenhouse Gas Initiative (RGGI) income. She stated that operating expenses were down 7% largely due to the pandemic. She stated that the decrease for non-operating revenue relates to the forward capacity market revenue and investment income going down.

Jennifer Cook reviewed the revenue funding sources. She stated that energy efficiency is the main driver and increased in 2020 which offset the loss of RGGI income. She stated that both the mil-adder and other revenue remains constant.

Jennifer Cook stated the following: (1) that the significant accounting policies are found in note two of the financial statements; and (2) there were no significant or unusual transactions identified. She stated the significant accounting estimates are the OPEB and Pension liability. They are reviewed for indicators of management bias and reasonability of estimates. She stated that the significant disclosures were clear and consistent, there were no difficulties or disagreements with management, and there were no noted past and corrected adjustments. She stated, as mentioned before, the financial statements are in draft form, and that a representation letter will be provided to the Compact Administrator after this meeting and that will be the final piece of audit evidence.

Jennifer Cook stated that there were no material weaknesses or significant deficiencies identified. The Compact will receive a separate report from CLA. She stated that she will issue a management letter which is an internal

control that does not rise to the level of significant deficiencies or weaknesses. She stated that the management letter will recommend two measures related to information security: (1) complete an Information Technology strategic plan (she noted that the Compact is in the process of developing such a plan); and (2) update the Compact’s password policy. She also recommended implementing a review process to ensure unreconciled items are reviewed on a timely basis. She stated the same for the reconciliation of warrants payable. Maggie Downey stated that she and Jennifer Cook talked about this; on those two reconciliations the Compact is going to have a process where the Comptroller and treasurer review the reconciliations routinely.

Sue Hruby asked why the Compact does not have the OPEB balance in a trust. Maggie Downey stated that the Compact has explored various options for an OPEB trust, but not taken any action as of yet. She stated that she and Counsel have had exploratory conversations with Plymouth County for the OPEB trust. Plymouth County maintains OPEB trusts for several cities and towns. Jeff Bernstein stated that if the Board is interested in pursuing it, this might be something for which the Board designates a formal subcommittee to put together information and save some time for the full Board. Maggie Downey stated that she will talk to the Chair about this.

Richard Elkin stated that there was a mention of \$2 million in uninsured deposits which was, for the most part, placed in insured deposits when the Compact switched to Cape Cod 5. Jennifer Cook stated that as of December 31, 2020, there was still a balance in the original energy efficiency Rockland Trust account that has since been cleared and everything is now insured. Richard Elkin stated he noticed an increase in energy efficiency expenses and revenues and asked if it would be adjusted for next year so that ratepayers would pay less. Maggie Downey answered yes, every year there is a fully reconciling mechanism for energy efficiency expenditures and revenues. Richard Elkin asked about information security and whether the Compact was insured against a ransomware attack if someone were to lock up the Compact’s file. Maggie Downey stated that the Compact does have cyber liability insurance but is not aware if they insure against that specifically and will check and report back to the Board.

APPROVAL OF MINUTES:

The Board considered the November 10, 2021 Open Session Meeting Minutes.

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

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	Duke County	Abstained
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Abstained
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes

Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (16-0-2)

PUBLIC COMMENT:

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

CHAIRMAN’S REPORT:

1. 2021 Energy Efficiency Main Street's - Report for Each Board Member

Martin Culik stated that he has asked Compact staff to prepare a report that summarizes the information from the 2021 Main Streets effort and to share town-specific data. He stated that the goal is for each Board Member to share the report with his or her Select Board in the first quarter of 2022 and any local media they want to include it in.

DISCUSS AND POTENTIAL VOTE RATIFYING BOARD SUPPORT OF FOR THE COMPACT PROPOSED ENHANCEMENTS TO THE 2022-2024 ENERGY EFFICIENCY PLAN

Maggie Downey stated that there is a vote to ratify support for the Compact’s proposed 2022-2024 Energy Efficiency Plan enhancements. She stated that the reason for this is in response to questioning from the DPU regarding the Compact’s enhancements to the Plan (stemming from public comment the Department received regarding the Governing Board’s vote on the Plan), she is seeking clarity from the Board to ratify its support for the Compact’s enhancements proposed for 22-24. (Note: Six Compact Board members did not vote in favor of the Plan at the November Board meeting because the Plan eliminated incentives for condensing oil and propane heating systems for market rate customers.)

Matt Patrick moved the CLCJPE Board of Directors vote to ratify support for the Compact's following proposed 2022-2024 Energy Efficiency Plan enhancements:

- 1. Cape & Vineyard Electrification Offering*
- 2. Up to 100% incentives for municipal customers, small non-profits, small businesses, and micro-businesses*
- 3. Enhanced Incentives for Income Eligible/Moderate Income Multi Family New Construction projects.*

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 Robert Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes

Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

DISCUSS AND POTENTIAL VOTE ON 2022 OPERATING BUDGET

Maggie Downey reviewed the proposed 2022 Operating Budget. She apologized to those who like to see the budget items in descending order and stated that the Operating Budget became very complicated between last month’s Board Meeting and today’s Board Meeting because the Compact was directed by the DPU through the Energy Efficiency Surcharge (EES) filing to go back to the 2019-2021 shared cost allocation and it requires the Operating Budget to continue to subsidize the energy efficiency program. The changes in the proposed budget from November’s Board Meeting to December’s Board Meeting are found in the column on the right.

Maggie Downey reviewed the two highlighted areas in the proposed budget. She stated that she misspoke at the November Board Meeting and that the Operating Contingency Fund would not be fully funded until the Board funds the \$65,000 as part of the 2022 budget request. She noted that the Marketing line item for CLC Local Green was reduced to \$57,343.

Peter Cocolis asked if there was enough in the Reserve Fund to fund the Operating Budget. Maggie Downey stated as of November 30, 2021, that there is \$1.7 million in the Reserve Fund and therefore the Compact can fund the Operating Budget. She stated that the Compact is still waiting on two months of mil adder and interest income, but no other additional revenue.

Martin Culik stated that the IT Services is only \$1,200 and it was suggested in the audit that the Compact needs an IT plan. Maggie Downey stated that funds for that are included in the contractual line item. She stated that if there is a request for additional funds, she will bring it back to the Board. Martin Culik stated that the advertising budget has been reduced from \$75,000 to \$40,000 and asked why. Maggie Downey stated she asked Dan Schell to put together a budget on what he anticipates being advertising expenses specifically for the Operating Budget. Dan Schell stated that there was a period where the Compact was spending the full \$75,000 annually but that did not happen last year, so it was reduced to \$40,000. He stated that it is supplemented by the Board’s request to focus on the CLC Local Green program which has its own budget.

Erik Peckar asked about the increase in the legal budget and if the Compact was anticipating an increase in legal services. Maggie Downey answered yes, there are several open dockets that the Compact are involved in at the Department of Public Utilities. She stated that one of them is the Low-Income Community Shared Solar which

is a direct Operating Budget item because it is all power supply related. Jeff Bernstein stated that there is also going to be an Eversource rate case in 2022 that is not included in the proposed budget.

Peter Cocolis moved the CLCJPE Board of Directors vote to appropriate the Cape light Compact joint Powers Entity Operating Budget in the amount of \$954,302.

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 Robert Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

DISCUSS AND POTENTIAL VOTE ON A 3% COLA FOR CALENDAR YEAR 2022

Maggie Downey stated that the Energy Efficiency Plan was filed with the 3% cost of living adjustment (COLA). She stated that she is part of Massachusetts Municipal Human Resource Association, and that they track statewide COLAs. She stated that the average COLA for FY21 and FY22 is 2.5%. She stated that the Compact provided a 2% COLA in calendar year 2021 and is proposing a 3% COLA for 2022.

Tim Carroll moved the CLCJPE Board of Directors the Board vote to approve a 2022 employee cost of living adjustment (COLA) in the amount of 3.0%. The effective date is January 1, 2022.

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 David Anthony.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes

Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	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:

1. Power Supply Pricing Update for December 2021 - June 2022

Maggie Downey reviewed the new power supply rates for the Compact. The residential rate has increased to 14.699 cent per kWh. The Compact’s power supply rates are one cent less than the Eversource residential rates.

Martin Culik asked what percentage of the industrial sector is on the Compact’s power supply. Maggie Downey stated that it is a small number of C&I customers. Most of them have aggregated at the national or state level.

Maggie Downey stated that these rates do not include the municipal load. Municipal load is on a separate contract. Marial Marchand stated that it is 8.7 cents through July 2024. Maggie Downey stated that they have some significant savings as most communities wanted a long-term fixed price contract.

2. Open Nominations for 2022 Cape Light Compact Executive Committee

Maggie Downey asked if there were any nominations for Chair. Joyce Flynn nominated Martin Culik. Seconded by Sue Hruby.

Maggie Downey asked if there were any nominations for Vice Chair. Robert Schofield nominated Joyce Flynn. Seconded by Peter Cocolis.

Maggie Downey asked if there were any nominations for Secretary. Peter Cocolis nominated David Anthony. Seconded by Robert Schofield.

Maggie Downey asked if there were any nominations for the position of Treasurer. Robert Schofield nominated Tammy Glivinski, Glivinski and Associates, Inc. Seconded by Richard Elkin.

Maggie Downey asked if there were any nominations for the position of Business Officer. Peter Cocolis nominated Megan Terrio. Seconded by Robert Schofield.

Maggie Downey asked that if there were any nominations for the other four Executive Committee member seats.

Valerie Bell moved the Chair, Vice Chair, and Secretary be members of the Executive Committee. Seconded by Peter Cocolis.

Robert Schofield nominated Tim Carroll to serve on the Executive Committee. Seconded by Joyce Flynn. Joyce Flynn nominated Richard Elkin to serve on the Executive Committee. Seconded by Tim Carroll. Richard Elkin nominated Robert Schofield to serve on the Executive Committee. Seconded by Joyce Flynn. Richard Elkin nominated Colin Odell to serve on the Executive Committee. Seconded by Joyce Flynn.

OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION PURSUANT TO M.G.L. C. 30A §§21(A)(3) AND (10) TO DISCUSS MATTERS BELOW, NOT TO RETURN TO OPEN SESSION:

Martin Culik at 3:14 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) and (10) to (1) review and approve executive session minutes which contain discussions regarding pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to a proposed Low-Income Community Solar project (when the release of the discussion would have a detrimental effect on the Compact's negotiating position); (2) to discuss and potential vote on pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to Massachusetts Department of Public Utilities 20-40, Cape & Vineyard Electrification Offering (CVEO) and the 2022-2024 Energy Efficiency Plan, DPU 21-126, not to return to open session thereafter. Seconded by Peter Cocolis.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

Respectfully submitted,

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- November 10, 2021 Draft Meeting Minutes
- Cape Light Compact JPE 2020 Audit Exit Meeting PowerPoint
- Agenda Action Request: Vote to Ratify Board Support for the Compact's Proposed 2022-2024 Energy Efficiency Plan Enhancements
- Agenda Action Request: Calendar Year 2022 Operating Budget (January 1- December 31, 2022)
- Agenda Action Request: 3.0% 2022 Employee Cost of Living Adjustment (COLA)
- Proposed 2022 Operating Budget
- 2021 Operating Budget
- 2021 Energy Efficiency Budget
- Power Supply Rates: Dec '21 – June '22 PowerPoint Slide