

*Chicopee Municipal Lighting Board
Minutes of Meeting
Thursday, June 17, 2021*

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:00 pm, Thursday, June 17, 2021

Present for this meeting were Commissioner Joseph F. Pasternak, III, Commissioner Carl E. Sittard, Commissioner Robert L. Pajak and General Manager and Clerk of the Board Jeffrey R. Cady and Assistant General Manager James M. Lisowski.

Commissioner Pajak made a motion to accept the minutes of April 27, 2021 and May 24, 2021 as presented. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion to concur with the payment of **Warrant #E060421** dated 5/27/2021 in the amount of \$129,283.51; **Warrant #E060421** dated 6/1/2021 in the amount of \$18,000.34; **Warrant #E061121** dated 6/4/2021 in the amount of \$267,011.70; **Warrant #E061121** dated 6/7/2021 in the amount of \$146,992.70; **Warrant #E061821** dated 06/10/2021 in the amount of \$2,034,363.41 and **Warrant #E061821** dated 6/14/2021 in the amount of \$1,576,240.69. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion to pay **Bills & Customer Refunds** in the amount of **\$105,082.65**. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager presented the Commission with the Annual Bid Tree Trimming/Forestry Services. Commissioner Sittard made a motion, to award the Annual Bid for Tree Trimming/Forestry Services, consistent with staff's recommendation in response to CEL Bid #21-0492. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0. *Document: CEL Bid #21-0492*

Commissioner Sittard made a motion to appoint James M. Lisowski as the General Manager of CMLP and Clerk of the Municipal Light Board effective June 19, 2021. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion:

that any person made a party to any action, suit or proceeding by reason of the fact that he or she is or was a commissioner, officer or attorney of the City of Chicopee Municipal Lighting Plant ("CMLP"); or because he or she served at the request of CMLP on a committee or task force of any public corporation or organization, shall be indemnified by CMLP against all damages and reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with said action, suit or proceeding including any appeal therefrom. It is the intent of this vote to indemnify such commissioners, officers or attorneys to the fullest extent permitted by Chapter 258 of the Massachusetts General Laws. No one shall be indemnified under this vote for violation of any civil rights if he or she acted intentionally. The term "expenses" includes amounts paid in satisfaction of judgments or in settlement of any action, suit or proceeding other than amounts paid to CMLP itself. Such right of indemnification shall not be

deemed exclusive of any other rights to which such commissioner, officer or attorney may be entitled apart from this vote. The indemnification provided for in this vote shall commence after all insurance proceeds or other indemnification proceeds have first been applied to a settlement or judgment awarded for a claim for which indemnification is provided under this vote. Any amount payable by way of indemnity hereunder shall be calculated and paid pursuant to a determination of the CMLP Manager. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion to approve the authorized payroll signature/checks pick-up document. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

General Manager and Clerk of the Board, Jeffrey R. Cady, presented the Board with 2 MMWEC Related documents that require approval and submittal by the Clerk to MMWEC

Certificate – Designation of NYPA Recipient Voting Representative and Alternate

Commissioner Pajak made a motion to designate James M. Lisowski, its Voting Representative on the NYPA Recipients' Committee and Joseph Lynch as an Alternate Designated Voting Representative per language as follows:

Voted:

- (1) that the NYPA Recipient City of Chicopee, pursuant to Section 5.1.4 of the Agency Agreement between the Massachusetts Department of Telecommunications and Energy (MDTE) and the Massachusetts Municipal Wholesale Electric Company (MMWEC), hereby designates James M. Lisowski, its manager of municipal lighting, as its Designated Voting Representative on the NYPA Recipients' Committee, to vote and execute written instruments or proxy vote, on its behalf relative to the reviewing of administrative reports, and reports of current issues and/or proposed litigation, to elect the Executive Committee, stand for election as a member of the Executive Committee and to serve, if elected, and to discuss and take any other actions on behalf of the NYPA Project Power Recipient cities and towns as may be described in the Agency Agreement and to make appropriate recommendations on issues affecting the delivery of Project Power to the MDTE and/or MMWEC; and
- (2) that Joseph Lynch, an employee of the municipal light department, is hereby designated as an Alternate Designated Voting Representative for the City of Chicopee, who shall, in the absence of the Designated Voting Representative, have all the power conferred upon the Designated Voting Representative except those additional powers conferred (if any) related to serving as a member of the Executive Committee.

Commissioner Sittard, seconded the motion; Discussion: None; Motion was passed 3 to 0.

Certificate – Designation of Voting Representative & Alternate(s)

Commissioner Pajak made a motion to designate James M. Lisowski, its Voting Representative and Commissioner Pasternak, Sittard and Pajak as Alternate Designated Voting Representatives, to vote and execute written instruments on its behalf as it relates to various MMWEC actions, per language as follows:

Voted:

- (1) that the City of Chicopee, pursuant to Article III, Section 6 of the Massachusetts Municipal Wholesale Electric Company (MMWEC) By-Laws, as revised and amended, and Section 3(b) of Chapter 775 of the Acts of 1975 hereby designates James M. Lisowski, its manager of municipal lighting, as its Voting Representative, to vote and execute written instruments on its behalf relative to adoption, amendment, or repeal of MMWEC By-Laws, the election of President and Directors of the Corporation, and other action by the Member cities and towns of MMWEC; and
- (2) that Joseph F. Pasternak III, a member of the municipal light board, is hereby designated as an Alternate Voting Representative who shall, in the absence of the Voting Representative, have all the powers conferred upon the Voting Representative, and
- (3) that Carl E. Sittard, a member of the municipal light board, is hereby designated as an Alternate Voting Representative who shall, in the absence of the first designee and second designee, have all the power conferred upon the Voting Representative, and
- (4) that Robert L. Pajak, a member of the municipal light board, is hereby designated as an Alternate Voting Representative who shall, in the absence of the first designee, the second designee, and the third designee, have all the power conferred upon the Voting Representative

Commissioner Sittard, seconded the motion; Discussion: None; Motion was passed 3 to 0.

CLEAN ENERGY AND CLIMATE PLAN – PORTFOLIO STRATEGY 2021-2030

The General Manager and Assistant General Manager updated the Board on the status of CMLP's Clean Energy Strategy and the change in the REC and overall market and recommended modifying the previously accepted strategy. The following bullet items summarize the points discussed:

- 2030 – 50% of our portfolio needs to be Non-Carbon; 2040 – 75% and by 2050 – 100%
 - Purchase Power Agreements with Solar Plants, Wind, Hydro or other Renewable generators do not qualify as non-carbon if you do not own the Renewable Energy Credits (RECs) associated with the energy. These currently equate to approx. 13-14% of our existing portfolio

- In 2020, approx. 17% of our portfolio qualified as Non-Carbon with large majority of that NYPA Hydro, and ME Class II REC's that we purchased and retired.
- For 2021, we have approx. 11% prior to procurement of any ME Class II REC's which would have to be done prior to year-end to qualify for 2021
- Modify strategy from an annual growth of 5% to one that establishes a base of 25% over the next 3 years with minor increase in 2024 and 2025 to 30%
 - Significant increase in cost of ME Class II REC's in the past year makes the previously agreed to strategy much more costly
 - Allows for CEL to take advantage of other non-emitting, qualifying resources such as Mayflower Off-shore Wind Project, which is tentatively planning to be operational in 2026 and beyond – entertain up to 30-32 MW
 - Provides some diversity through spot purchases, 5 year and 10 year strips of ME Class II RECs

General Manager and Assistant General Manager recommend modifying CMLP's Clean Energy and Climate Plan Portfolio Strategy as follows:

- Maintain a 25% Non-Carbon, Qualifying portfolio effective 2021 with proposed increase to 30% in 2024, recognizing a 50% requirement by 2030 through purchase of REC's and/or investment in or PPA's with clean energy resources

Commissioner Pasternak makes the motion to accept the new strategy

Commissioner Sittard Seconds the motion

Discussion: None Motion Passes 3 to 0

COLLECTIVE BARGAINING / UNION NEGOTIATIONS UPDATE

The General Manager and Assistant General Manager updated the Board on the status of the Union Negotiations. We have a tentative three (3) year agreement in place that will be presented to the Bargaining Unit for approval in the next week or two. The tentative agreement includes some adjustments to existing terms already included in the previous agreement and a three year general wage increase of 2.5% in 2021; 3.0% in 2022 and 3.0% in 2023. The General Manager will review the IBEW Union Agreement with the Commissioners at the July Board Meeting

1895 OPERATIONS BUILDING UPDATE

The General Manager and Assistant General Manager updated the Board on the status of 1895 Building Renovation. We received a cost estimate of \$11M with a \$1M contingency from a professional construction estimator, which is significantly higher than the \$7.5M estimate provided last year. Increase in cost due market volatility and increases in construction materials. These costs do not include "soft costs" such as design and/or construction management costs which will run \$750K - \$1M. We are recommending delaying the construction until Spring 2022 based on recommendation from Architect and OPM, who feel there will be a downward adjustment this fall. Tentatively planning on putting out to bid late Fall, with contract established by February to allow for April start. The Board will need to establish a formal funding cap (to be determined) for the project

prior to putting the project out to bid. This will allow CMLP to pull the project should the costs come in higher than we are willing to fund.

CROSSROADS FIBER UPDATE

The General Manager and Assistant General Manager updated the Board on the progress of the FTTH Project. As of this, week we have 1123 installs completed with an additional 150 in the queue.

We are experiencing supply chain issues that will impact our ability to continue the construction of additional fiber serving areas this summer. Cable ordered in March is now showing an April 2022 estimated ship date (13 months vs. the initial 6-7 months). Other major components (from multiple suppliers), which historically have had 8-10 week lead times are now at 30+ weeks. Products ordered in February/March not expected now until November. Also experiencing price increases of 10-40% across most product lines.

We are also experiencing staffing and resource issues which are presenting some challenges to the project.

CHICOPEE HYDRO – O&M CONTRACTOR SEARCH UPDATE

The General Manager and Assistant General Manager updated the Board on the search for a new O&M contractor for the hydro following notification from the existing contractor that they do not want to continue in that role. We have met with 2 potential contractors at the site and are in communication with a third. Both of the 2 that have visited the site have expressed an interest in providing a proposal to operate and maintain the site. We are targeting mid-July to have parties present their proposals for our review with goal to have a contract in place by September 1st. There would be a 1-2 month transition from the existing contractor to the new contractor with a November 1st target for the new contractor to be fully up and responsible for the site.

The penstock that was damaged is nearing the completion of its repair, however, the operator has identified some additional issues that need to be discussed prior to it becoming operational again. A call will be set up next week with the operator and engineering consultant to discuss these other issues and the timeline to make T1 operational again. Upon completion of this work, attention will need to be turned towards T2 penstock, which also has some condition issues also that will require attention prior to that unit coming back into service.

COLLECTIONS UPDATE

The General Manager and Assistant General Manager updated the Board on the status of customer collections. From a high of nearly 2,600 customers and \$2.5M in arrears at the end of February, we are currently at 841 customers and \$750K in arrears approx. 1 ½ months after restarting the collection process. Of the \$750K, approx. \$540K are protected accounts or on Payment Plans. The Customer Service Manager and Reps have done an outstanding job in bringing these figures down and should be commended for their efforts.

The General Manager recommended that the Commission go into executive session to approve the minutes from the 5-24-2021 executive session and return to regular session after conclusion. Commissioner Pajak made a motion to go into executive session at 5:25 pm. Motion was seconded on the basis of a roll call vote as follows:

Pasternak Aye
Pajak Aye
Sittard Aye

Motion was passed 3 to 0

Commissioner Sittard made a motion at 5:30 pm to adjourn from Executive Session and enter into Regular Session. Motion was seconded on the basis of a roll call vote as follows:

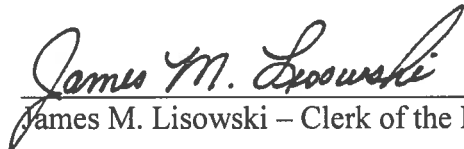
Pasternak Aye
Pajak Aye
Sittard Aye

Motion was passed 3 to 0.

NEW BUSINESS

Both the Board and the Assistant General Manager congratulated Jeff on his retirement, wished him good luck and thanked him for his many years of service and leadership

Commissioner Pajak made a motion to adjourn at 5:40 pm. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.


James M. Lisowski – Clerk of the Board

Approved: July 26, 2021