

*Chicopee Municipal Lighting Board  
Minutes of Meeting  
Tuesday, March 22, 2022*

Commissioner Pajak called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:05 pm, Tuesday, March 22, 2022.

Present for this meeting were Commissioner Robert L. Pajak, Commissioner Joseph F. Pasternak, III and General Manager and Clerk of the Board James M. Lisowski. Commissioner Carl E. Sittard was unable to attend

Commissioner Pasternak made a motion to accept the minutes of March 2, 2022 as presented. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pajak made a motion to concur with the payment of **Warrant #E031122** dated 3/7/2022 in the amount of \$210,508.53; **Warrant #E031822** dated 3/14/2022 in the amount of \$906,565.18 and **Warrant #E031822** dated 3/10/2022 in the amount of \$199,007.51. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to pay **Bills and Customer Refunds** in the amount of **\$287,392.15**. Commissioner Pajak the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pajak made a motion to pay **Power Bills** in the amount of **\$4,535,106.76**. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

The General Manager presented the Board with the Annual Bid for 15kV URD Primary Cable. Commissioner Pajak made a motion to award the bid, consistent with staff's recommendation in response to CEL Bid #22-0495. Commissioner Pasternak seconded the motion. Discussion: *Prices for cable are at historical highs due to raw material costs for aluminum, copper and petroleum based products. Also experiencing long lead times of 8-10 months, which makes project planning challenging. Majority of costs related to planned replacement of the 18L18 feeder getaway cables, which is approaching the end of its useful life. Following this feeder upgrade, 2 additional feeders to be upgraded over the next 2-3 years*; Motion was passed 2 to 0.

The General Manager presented the Board with the Annual Bid for 15kV OH Primary Cable. Commissioner Pajak made a motion to award the bid, consistent with staff's recommendation in response to CEL Bid #22-0496. Commissioner Pasternak seconded the motion. Discussion: *Small to moderate procurements anticipated in 2022/23 – primarily to replenish stock*; Motion was passed 2 to 0.

### **Review 2022 GM and Company Goals and Objectives**

Discussion on this topic was pushed off until April Board Meeting due to Commissioner Sittard's absence.

### **MMWEC Working Capital Discussion**

The General Manager informed the Board that MMWEC has requested a substantial increase in our Working Capital fund due to timing of ISO-NE payments and the significant increase in Power Supply costs. The working capital is a fund held by MMWEC to allow them to pay CEL ISO-NE and other power supply invoices in a timely basis on our behalf. In the last billing cycle, we actually had a short-fall of over \$1M resulting in a pull from our line of credit. We are only billed monthly by MMWEC so it is possible that MMWEC will "front" up to 2 months of invoices before receiving payment from CEL. During this winter season, we have seen monthly bills of approx. \$4.6M/month. MMWEC used this monthly amount to calculate the new Working Capital Fund (\$4.6M x 2 months - \$9.2M). We are in "disagreement" with MMWEC on what value should be used as our current working capital base. We are carrying \$5.5M on our books but MMWEC used our end-of-month balance in February of ~ \$3.4M as the base to use in the calculation. We agree that it is currently underfunded and have proposed the following contributions to the fund over the next 6 months - \$1.5M in March + \$500K per month (April thru August) = \$4.0M total. The money will be transferred from our Reserve Trust/Depreciation Fund held by MMWEC (\$6.4M). We will monitor the balance and will determine if additional funding will be required prior to the winter season based on market conditions and ISO interchange prices at that time.

### **Crossroads Fiber Update**

The General Manager updated the Board that we currently have 2212 customers and have an additional 30-40 in the install queue. Per last Board meeting, we ran into an issue across the Veterans Bridge between Fuller Rd and E. Main St. when we discovered that our duct bank has partially collapsed. We are wrapping up repairs and should be pulling cable this week and hope to open up 3 FSA's in that area in early April. In the meantime, we worked on a several other FSA's in other parts in the City. We opened up 1 FSA on Monday and received over 20 applications overnight. 1 additional FSA should be opened up for applications by the end of the week. We continue to deal with material availability and are currently evaluating 2 alternate providers of fiber cable. We are addressing the availability issue for the endpoint router – we were informed by our supplier, Calix, that a variation (white vs. gray) of the router we use is more readily available, which should allow for us to replenish our stock in a more timely manner. We are also dealing with damage to our fiber backbone caused by an electric cable failure in a manhole behind the Safety Complex on Grove St.

### **Succession Planning Update**

The General Manager provided the Board with an update on where we stand in finding a new Compliance Officer. It is our goal to have someone on board this Spring so they can learn the job requirements / responsibilities prior to the retirement of the incumbent at the end of August.

The General Manager provided the Board with the draft General Manager Job Description and advertising posting for their review and discussion at the next Board meeting in April. It is our desire to advertise for the job in May and identify the appropriate candidate by mid-summer so we can have someone on board at least 6 months prior to the retirement of the current General Manager in January.

### **Chicopee Hydro Update**

The General Manager informed the Board that 3 consultants have shown an interest in consulting services related to the Penstock concern and we have requested that qualification packages be provided by the first week in April. We will evaluate the submittals and identify the firm to utilize to evaluate the best course of action by late April/early May. Due to the time needed to evaluate the site and go through the analysis and develop an approach, we anticipate having a bid package available by Fall with work planned for Spring '23.

### **City “Retention Bonus” Payment**

The General Manager informed the Board that City Council will be voting on a Retention Bonus Payment for City employees – this does not include School Dept. (separately negotiated/funded) or Electric Light. The payment is designed to award employees who have worked through the COVID Pandemic, with payments up to \$3,000. The Board requested the General Manager reach out to the Mayor’s office to discuss this program and report back to the Board at the next meeting.

### **NEW BUSINESS**

- The General Manager informed the Board that we have closed some of our open summer energy position (July and August) by purchasing 10MW ATC (\$56.00/MWh) for both months and 2MW Peak (\$65.00/Mwh) for August. This reduces our open position for these months from 40% open to approx. 15-20% open. The current MMWEC Indicative on-peak curve shows summer prices in the mid to high \$60’s so this will provide some protection against upward trends/pressure. We are working with MMWEC on closing some of our open winter position (Dec-Feb) – hope to bring that down to the same 15-20% open position over the next 2-4 months. Current pricing is still very high with December hovering around \$180/MWh and Jan/Feb still around \$210-220/MWh. We are targeting numbers in the low/mid-teens before pulling the trigger on any purchase. Overall, we are looking at closing our peak month open positions (Jan, Feb, July, August and possibly December) from 40% to 20%; March, April, June, September, November to 30% and maintain 40% during the shoulder months of May and October.
- On a “positive” note, February actuals came in a slightly better than we anticipated when we calculated the adjusted PPA. It is still too early to determine if adjustment of the PPA, either up or down, will be necessary going forward.

The General Manager recommended that the Commission go into executive session for the purpose of discussing trade secrets, commercial and financial information and strategy related to potential power supply/contract opportunities. The motion was seconded on the basis of a roll call vote as follows:

Pasternak	Aye
Pajak	Aye
Sittard	Absent

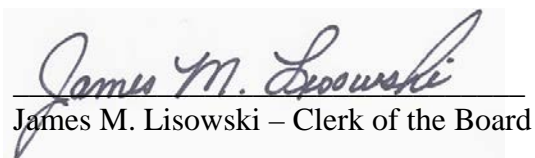
The motion was passed 2 to 0

Commissioner Pajak made a motion at 5:28 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	Absent

The motion was passed 2 to 0

Commissioner Pasternak made a motion to adjourn at 5:31 PM. Commissioner Pajak seconded the motion; Discussion: None; Motion was passed 2 to 0.



James M. Lisowski – Clerk of the Board

Approved: April 20, 2022