

Chicopee Municipal Lighting Board
Minutes of Meeting
Wednesday, July 27, 2022

Chairman Sittard called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:00 pm, Wednesday, July 27, 2022.

Present for this meeting were Commissioner Joseph F. Pasternak III, Commissioner Carl E. Sittard and General Manager and Clerk of the Board James M. Lisowski. There is an open Board position due to the passing of Commissioner Pajak. Also present during the presentation of the Audited Financial Statements was Ken Labrie, CEL Accounting Manager and Eric Pinsoneault and Howard Cheney of Myers Brothers Kalicka, PC

Commissioner Pasternak made a motion to accept the minutes of June 30, 2022 as presented. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Sittard made a motion to concur with the payment of **Warrant #E070822** dated 7/1/2022 in the amount of \$93,554.76; **Warrant #E071522** dated 7/11/2022 in the amount of \$197,841.31; **Warrant #E071522** dated 7/7/2022 in the amount of \$468,062.51; **Warrant #E072222** dated 7/14/2022 in the amount of \$188,985.36 and **Warrant #E072222** dated 7/18/2022 in the amount of \$3,530,740.50. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to pay **Bills & Customer Refunds** in the amount of **\$259,378.70**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to pay **Write-off Uncollectibles** in the amount of **\$103,408.14**. Commissioner Sittard the motion. Discussion: The General Manager informed the Board that the amount is higher than typical because approx. \$58,000 of the total was related to bills during COVID protection period that was lifted in May 2021 and this write-off covers from June 2021 to June 2022. We anticipate next quarter to return to a more typical value; The Board asked the General Manager whether we have considered reporting these customers to the credit reporting agencies. The General Manager will discuss this with the Customer Service Supervisor. Motion was passed 2 to 0.

DISCUSSION ITEMS:

2021 Audited Financial Presentation by Meyers Brothers Kalicka:

Howard Cheney and Eric Pinsoneault of Meyers Brothers Kalicka presented the “Report to Management” and the 2021 Audited Financials to the Board. The financials are an unmodified/clean opinion with solid accounting policies, no internal control issues and no major adjustments to the draft financial statements except for OPEB and Pension. There were 2 minor recommendations related to the inventory tracking of fiber optic cable and a minor discrepancy related to accrued compensated absences. CEL’s accounting manager informed the Board that we have established procedures for improved tracking of inventory and he has identified a mechanism to correct the discrepancy. The report was reviewed with the Board and the General Manager. Some of the talking points included a significant reduction in our Net Pension

Liability in 2021 when compared to 2020, a reduction in our Account Receivables due to the lifting of the COVID protection, an increase in Utility Plant Value due to Telecom buildout, increase in revenues and Operating Expenses related to the increased cost of power and an increase in Cash/cash equivalents at the end of the year compared to 2020. Commissioner Sittard made a motion to approve the Audited Financials as presented. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

General Manager Contract Extension

The General Manager informed the Board that in accordance with Section 2(b) of his employment contract, the Board needs to formally vote to extend the term of the General Manager from the original date of January 6, 2023 to June 16, 2023.

Commissioner Sittard made a motion to extend the General Managers contract from January 6th to June 16th, 2023. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Open Board Position

As a result of the unfortunate passing of Commissioner Pajak, the Board is currently 1 Commissioner short. The General Manager has informed the Mayor of this opening and has requested that he consider filling the opening as soon as possible. The General Manager would also like to acknowledge the many years of service that Commissioner Pajak provided to CEL as both an employee and a commissioner. He will be missed. The Board requested the General Manager reach out to the Mayor's office to see if they identified any potential candidates.

Mayflower Off-Shore Wind

The General Manager informed the Board that the MMWEC allocation may be reduced from the original 100MW to 75MW due to constraints at the south shore interconnection location. Should this be the case, it will have an impact on the CEL's allocation. According to MMWEC, this would reduce all member's allocation to 75% of the original value. At this time, we have not been informed what percentage of the total allocation will be reserved for Chicopee. An update should be coming shortly. The Board asked the General Manager to inquire with MMWEC whether an option could be requested on the 25MW should it become available due to the interconnected constraints being addressed/resolved.

Crossroads Fiber Update

The General Manager informed the Board that no major updates to report on the project status. We continue to add new customers (2600) and construct new FSA's in the Aldenville, Willimansett and Falls area and have started to see some of the CO electronics arrive, which should allow us to light up a couple of FSA's out of CO1 before the end of the year.

Chicopee Hydro Update

The General Manager informed the Board that our new consultant, DuBois & King performed their initial site visit and inspection of the penstock. Their preliminary comments are the penstocks are in rough shape and follow up visit will be performed on August 11th. Unfortunately, some additional costs will be incurred due the necessity of having to hire a

confined space “rescue” firm while the consultant is inside the penstock. There are limited number of these types of firms and they are more than a little expensive.

Succession Planning

The General Manager informed the Board that we continue to have internal discussions concerning the January retirement of our Operation General Foreman – who will be his replacement, how that will impact the line department and how we will assign some of the duties he is currently performing. He currently supervises the Stockroom and the Garage and oversees our Training and Safety Program among other duties. Some of his duties will be split between Engineering, Compliance and Administration.

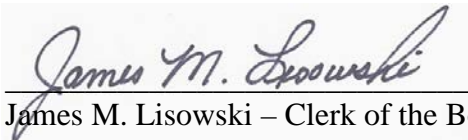
The General Manager informed the Board that Shawn Burnham, a 32 year employee in the meter department will be retiring in early January. With the completion of the AMI Project, it will not be necessary to fill this position – the department will be comprised of a Foreman, 2 Specialists and 3 Installers.

The General Manager informed the Board that we will begin advertising the Assistant GM/GM Position in August. We will advertise with MMWEC, NEPPA, MEAM, MassLive and likely the Hartford and Worcester papers. At this time, we will hold off on Boston and APPA to see what response we get from these other resources.

NEW BUSINESS:

- The General Manager that there doesn't appear to be a ceiling on power costs especially in the “heating” months. Current pricing for December, January and February are averaging approx. \$325-\$330/MWhr and March at \$175. April thru November is running approx. \$75/ while Winter 2023/24 prices are approx. \$210. If this trend continues, it may be necessary to dig deep into our Rate Stabilization for December or implement a 3rd PPA and 2023 prices will be higher than anticipated.
- The General Manager informed the Board that we received a noise complaint from a customer on the north side of the river when our generators run. This individual just moved into their house and due to the extreme heat last week, the generators where dispatch numerous times and ran approx. 20 hours during the week. We will determine the appropriate course of action.

Commissioner Pasternak made a motion to adjourn at 5:28 pm. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.


James M. Lisowski – Clerk of the Board

Approved: September 22, 2022