

Chicopee Municipal Lighting Board
Minutes of Meeting
Wednesday, January 12, 2022

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:15 PM on Wednesday, January 12, 2022

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

Commissioner Pajak made a motion to accept the minutes of the November 30th meeting as presented. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion to concur with the payment of **Warrant #E121021** dated 12/3/2021 in the amount of \$275,605.25; **Warrant #E121021** dated 12/6/2021 in the amount of \$91,188.20; **Warrant #E121721** dated 12/10/2021 in the amount of \$103,954.83; **Warrant #E121721** dated 12/13/2021 in the amount of \$117,122.42; **Warrant #E122421** dated 12/16/2021 in the amount of \$172,722.87; **Warrant #E122421** dated 12/20/2021 in the amount of \$3,215,748.18; **Warrant #E123121** dated 12/23/2021 in the amount of \$341,356.13; **Warrant #E123121** dated 12/27/2021 in the amount of \$428,676.40; **Warrant #E010722** dated 1/3/2022 in the amount of \$6,870.61; **Warrant #E010722** dated 12/30/2021 in the amount of \$185,004.50 **Warrant #E011422** dated 1/6/2022 in the amount of \$358,445.08 and **Warrant #E011422** dated 1/10/2022 in the amount of \$58,669.89. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pajak made a motion to pay **Bills and Customer Refunds** in the amount of **\$259,414.16**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion to pay **Write-off Uncollectibles** in the amount of **\$36,186.08**. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pajak made a motion to appoint **James M. Lisowski** as the Clerk of the Municipal Light Board for **2022**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion that Commissioner **Sittard** become Chairman of the Municipal Light Board as of **January 13, 2022**. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pajak made a motion to give CEL employees **½ day on Good Friday** for 2022. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion it was voted 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.

DISCUSSION ITEMS:

General Manager Performance Discussion

Discussion was pushed off until the February Board Meeting. Commissioners requested the General Manager provide a self-assessment with 2021 accomplishments and goals for 2022.

Crossroads Fiber Update:

The General Manager informed the Board that we are nearing 2,000 active customers. Installs have been slowing a bit but 1 FSA was opened on Tuesday, another planned for opening by end of week and a 3rd for next week. Since the opening of the FSA on Tuesday afternoon, 40 applications have been received. This will conclude all FSA's started in 2021. We currently have installations booked out into February and the opening of these FSA's should continue the forward momentum. Construction to continue with goal to open up a new FSA every 2-3 weeks during the year. Material availability continues to be a major obstacle, including some "grumblings" from Calix, our back end system and ONT provider – still fleshing this out. Through end of Q3 2021, we spent approximately \$2.25M and on 21 FSA builds and customer installations. We anticipate end of year total of \$2.75-3.0M

A major Tier 1 build will kick off momentarily that will provide access to 6 FSA's in the East Main and East St. area. These FSA's will be constructed in Q1 and Q2.

The General Manager informed the Board that based on current projections, the FTTH project and Telecom division should be financially self-sufficient by 2025/26

2022 Capital Budget

The General Manager presented the Board with the proposed 2022 Capital Budget of \$9.285M plus the 2023-26 Projection. Major Capital Projects planned for 2022 include:

- Fiber to the Home – 25 FSAs + new customer installs (~\$4.65M) + Other System Improvement including CO1 Cutover (\$105K)
- Chicopee Hydro Penstock Upgrades (~\$2.0M)
- 18L Feeder Getaway Upgrades (~\$600K)
- System Wide Power Factor Improvement – Capacitor Installations (\$120K)
- Distribution Reclosers and Fault Indicators (\$190K)
- Transformers (\$400K)
- Final AMI installations (\$75K)
- IT System Upgrades and Improvements (\$250K)
- New Vehicles (\$460K, including 1 Bucket Truck @ \$250K and Telecom Van/Bucket @ \$100K)

We come into 2022 with approx. \$19.7M in the Depreciation Fund and will leverage approx. 50% of new operating revenue + the Depreciation Fund to pay for the capital budget.

The General Manager briefly reviewed the 2023-26 capital budget, noting that we intend to fund all, but the Building Renovation using the Depreciation Fund + Operating Revenue. At the end of this 5 year period, Depreciation Fund will be reduced to approx. \$10M. Following completion of the FTTH Build-out, the fund should begin to build up again. Will need to bond/finance the Building Renovation, which will be delayed until at least the 2023/24 construction timeframe.

After discussion, Commissioner Pasternak made a motion to approve the Capital Budget as presented. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Staffing/Succession Planning

The General Manager informed the Board that we have finally hired a new Engineer, who will start on January 18th. They were formally employed at Westfield G&E and bring in 3-5 years of experience there. Although not an electrical engineer by education, our E&O

Manager feels he brings in the needed experience and expertise. He will come is at the bottom end of the Sr. Electrical Engineer range.

We have advertised for the Compliance Manager – The Republican / Mass Live, The Hartford Courant, Indeed, CEL website and NEPPA.

We will start to turn our attention to the open Assistant GM position with goal to find an individual who can move into the GM position upon the current GM's planned retirement in January 2023. We are targeting the advertising by late Q1 and having someone in place by beginning of Q3 to allow 6 month overlap.

Discussions will need to be undertaken in the near future as it relates to the tentative retirement plans of our Operation General Foreman at the beginning of 2023. The General Manager will have discussions with current Operation GF, HR and the E&O Manager to discuss succession planning.

Off-Shore Wind Update

The General Manager informed the Board that as part of the State of Massachusetts Solicitation #3, Mayflower Wind was awarded 400 MW of off-shore wind. MMWEC is currently in discussion with Mayflower on terms for PPA's for the MMWEC members who are interested. As a reminder, CEL set a goal of 30-32MW of off-shore wind in order to meet out 2030 Portfolio requirement of 50% non-carbon emitting resources. The tentative operations date is 2027/28. The General Manager will provide the Board updates on the progress of the MMWEC negotiations as they become available.

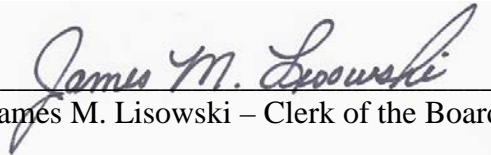
Chicopee Hydro Update

The General Manager informed the Board that our new Operator brought in an engineer to provide some suggestions on how we should proceed as it relates to the penstock upgrades. The Operator is working on a scope of work/request for proposal to provide to several engineering firms to assist CEL and WRP to develop a formal course of action. We are hoping to have a firm on board in Q2. Based on a limited window to actually perform major work at the site (May thru Nov), there are challenges to get major work done at the site. The Board voiced their concern and frustration that the site is still not operational 2+ years after the initial penstock failure. The General Manager informed the Board that he agrees with their frustration and the previous operator and engineering firm took a narrow view of the damage that occurred that did not address the larger issues with the penstocks and site as a whole.

New Business

- The Board requested status of the various Commissioner terms – where they are in their individual 3 year terms
- The General Manager informed the Board of a new marijuana grow facility to be opened this summer on Champion Dr. that has the potential to become one of our largest customers within 1-2 years.
- The Board requested that the General Manager reach out to Lee Pouliot at City Planning to request that he present the Abbey Brook and Bemis Pond Dam and Daylighting Project that will have significant impacts on CEL's property at the February Board Meeting.

Commissioner Pajak made a motion to adjourn at 5:33 pm. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 3 to 0.


James M. Lisowski – Clerk of the Board

Approved: February 15, 2022