

*Chicopee Municipal Lighting Board
Minutes of Meeting
Wednesday, November 20, 2024*

Chairman Mashia called a regular meeting of the Chicopee Municipal Lighting Board to order at 2:25 PM on Wednesday, November 20, 2024.

Present for this meeting were Chairman Daniel J. Mashia, Commissioner Joseph F. Pasternak, III, Commissioner Daniel T. Maciolek, General Manager and Clerk of the Board, Daniel R. Faille, and Accounting Manager, Ken Labrie.

Approval of Minutes from October 30, 2024 Meeting

Commissioner Pasternak made a motion to accept the minutes of the October 30, 2024 Municipal Light Board Meeting, as presented. Commissioner Maciolek seconded the motion. Discussion: None; Motion was passed 3 to 0.

Warrants – Concurs, Bills & Customer Refunds and Power Bill approval

Commissioner Pasternak made a motion to concur with the payment of *Warrant #E110824 dated 11/4/2024 in the amount of \$132,343.43; Warrant #E111524 dated 11/7/2024 in the amount of \$324,606.39; Warrant #E111524 dated 11/12/2024 in the amount of \$986,614.61 and Warrant #E112224 dated 11/14/2024 in the amount of \$219,096.56*. Commissioner Maciolek seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion to pay ***Bills & Customer Refunds*** in the amount of \$259,090.65. Commissioner Maciolek seconded the motion. Discussion: None; Motion was passed 3 to 0.

Bid(s) Approval

The General Manager presented the Commissioners with CEL Bid #24-0515 for the Annual bid for Calix Telecommunication Equipment. Calix, whom is the sole source provider and manufacturer, was the only bid received. As the only provider of the Calix gear and the platform used by Crossroads Fiber, Staff recommends the award to Calix for 1 Year with one (1), 1 Year Option to extend. CEL intends to purchase approximately \$475,000 worth of equipment from this bid over the next 12 months.

Commissioner Pasternak made a motion, to award the bid consistent with staff's recommendation. Commissioner Maciolek seconded the motion. Discussion: None. Motion was passed 3 to 0.

2024 End of Year Projected Financials

The General Manager presented the projected end of year projected financials to the Board, alongside the 2025 budget values. The projection uses actual, or draft actuals for January through September, and estimates for October, November, and December.

As discussed during the last board meeting, the major contributing factors include lower than budgeted Power Supply costs, lower than expected Operating Expenses, and higher than

expected performance of CEL's investments for the year. Also as mentioned at the last board meeting, we are planning a rate stabilization replenishment.

The General Manager recommended offering a Holiday Discount in December, 2024 for all electric rate classes (with the exception of street lighting) of 25%

Commissioner Pasternak made a motion, to provide a 25% Holiday Discount in December, 2024 for all electric rate classes, with the exception of street lighting. Commissioner Maciolek seconded the motion. Discussion: None. Motion was passed 3 to 0. *Document: 2024-2025 Budget Comparison Summary.pdf*

2025 Revenue and Expense Budget Review

The General Manager presented the proposed 2025 Revenue and Expense Budget to the Board. The following assumptions went into the development of the Budget:

- kWh Sales have been forecasted at 440,330,000 which is a slight (~2%) decrease compared to 2024, but higher than projected actuals, and marginally higher than the 5-year average.
 - 2024 forecast was 449,500,000, projected actual 442,459,687
 - 5-year average 440,212,982
 - 3-year average 436,975,524
- The NYPA hydro credit has been increased from \$0.00275/kWh to \$0.01064/kWh, due to the increase in "value" in 2024. Value is effectively applied in each year following assessment.
- Purchase Power Adjustment to remain at zero (\$0.00/kWh)
- Rates were developed assuming a replenishment of the Rate Stabilization Fund, as we have pulled significant funds out over the past 3-5 years, and were able to make a significant contribution in 2024.
- 2025 Budgeted Revenue is on par with 2024 budgeted and projected revenues
- Telecom Revenues budgeted slightly above 2024 revenues
- 18.6% expected increase in Transmission Costs
- 5.62% anticipated decrease in Energy costs
- Projected end-of-year 2024 Purchase Power Costs are comparable to 2024 Budgeted

Salaries are based on the previously approved Compensation Plan for non-union personnel or based on comparison with other Western Massachusetts MLP's. Salaries for union personnel based entirely on contract values resulting from negotiations completed this Spring.

Payment in Lieu of Taxes of \$758,000
Depreciation Expense is level for 2025

The Rates, as proposed, will still allow flexibility in 2025 to accommodate modest increases in actual energy costs, likely without having to implement a PPA increase. Increases can be accommodated by a reduction in the Rate Stabilization replenishment and/or reducing our Net Income position at year-end.

After discussion, Commissioner Pasternak made a motion to approve the 2025 Expense Budget as presented. Commissioner Maciolek seconded the motion. Discussion: None; Motion was passed 3 to 0. *Documents: 2024-2025 Budget Comparison.pdf*

2025 Rate Establishment

The General Manager presented the proposed 2025 Electric Rates to the Board. The rates were developed using the previously presented Expense Budget and were the rates used to budget for the 2025 Electric Sales Revenue.

The General Manager presented the new rates compared to the Rate as of 1/1/24.

- Compared to rates as of 1/1/24, there is a projected increase of 1.99-2.86% to each rate class.
- The NYPA hydro credit, which is regulated to only be applied to residential rate classes, exceeds the increase proposed to residential rates, resulting in a net decrease in residential rates; residential rate customers will see a decrease in their “all in” rate for 2025 by approx. 5%.

The General Manager informed the Board that the rates were set to accommodate the partial replenishment of the Rate Stabilization Fund – total impact on the rates is approx. \$.004/kWh. The Transmission component increase is approx. 20% based on new RNS Rates, driven mostly to proposed projects on a regional transmission system demanding upgrades to continue to operate reliably. Additionally, there is an increase in the Distribution component, driven by modest increased cost to do business in the current economic environment. The Hydro Credit to residential customers is also being increased from \$.00275/kWh to \$.01064/kWh due to decreased costs to transport the power across the New York ISO Transmission system and the lower overall projected energy costs in the ISO-NE market in 2024.

The General Manager informed the Board that the Street Light Rate charged to the City will remain the same at \$0.1299/kWh.

With the approval of the rates, the General Manager will advertise the new rates and submit them to the Mass DPU by mid-December. Rates will become effective January 1, 2025.

After discussion, Commissioner Pasternak made a motion to approve the 2025 Electric Rates as presented. Commissioner Maciolek seconded the motion. Discussion: None; Motion was passed 3 to 0. *Document: 2025 Elec Sales Budget V5.pdf*

Executive Session

Commissioner Pasternak made a motion to enter executive session for the purposes of approving October 30, 2024 executive session minutes, and return to Regular Session after conclusion. Commissioner Maciolek seconded the motion.

Commissioner Mashia – Aye
Commissioner Pasternak – Aye
Commissioner Maciolek – Aye

Motion was passed 3 to 0.

The Municipal Light Board entered executive session at 3:09 PM

The Municipal Light Board reentered regular session at 3:15 PM

NEW BUSINESS

Commissioner, Officer and Attorney Indemnification Recertification Vote

While it is not necessary to adopt this vote every year, based on previous suggestion of counsel, and with a new Commissioner, the General Manager requested that CEL ratify and confirm the following vote last adopted by the board in 2023:

“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 Pasternak made a motion to confirm and ratify the statement. Commissioner Maciolek seconded the motion. Discussion: None. Motion was passed 3 to 0.

Commissioner Pasternak made a motion to adjourn at 3:26 pm. Commissioner Maciolek seconded the motion; Discussion: None; Motion was passed 3 to 0.


Daniel R. Faille, Clerk of the Board

Approved: January 27, 2025