

**Chicopee Municipal Lighting Board**  
**Minutes of Meeting**  
**Thursday, September 28, 2023**

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:05 PM on Thursday, September 28, 2023

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

Commissioner Mashia made a motion to accept the minutes of the July 25, 2023 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 #E072823** dated 7/25/2023 in the amount of \$160,028.37; **Warrant #E081123** dated 8/3/2023 in the amount of \$292,003.40; **Warrant #E081123** dated 8/7/2023 in the amount of \$164,481.79; **Warrant #E081823** dated 8/9/2023 in the amount of \$181,135.59; **Warrant #E081823** dated 8/14/2023 in the amount of \$2,313,322.66; **Warrant #E082523** dated 8/17/2023 in the amount of \$239,013.93; **Warrant #E082523** dated 8/21/2023 in the amount of \$1,585,462.60; **Warrant #E090123** dated 8/24/2023 in the amount of \$160,219.61; **Warrant #E090123** dated 8/28/2023 in the amount of \$65,103.01; **Warrant #E090823** dated 9/5/2023 in the amount of \$86,709.53; **Warrant #E091523** dated 9/7/2023 in the amount of \$262,008.19; **Warrant #E091523** dated 9/11/2023 in the amount of \$151,754.36; **Warrant #E092223** dated 9/14/2023 in the amount of \$222,102.18; **Warrant #E092223** dated 9/18/2023 in the amount of \$3,665,658.91; **Warrant #E092923** dated 9/25/2023 in the amount of \$168,561.58 and **Warrant #E092923** dated 9/21/2023 in the amount of \$218,141.08. Commissioner Mashia seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion to pay **Bills and Customer Refunds** in the amount of **\$122,148.55**. Commissioner Mashia seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager presented the Commissioners with **CEL Bid #23-0505 for Overhead Conductors – Annual Bid** and **Bid #23-0506 for 15 kV URD Primary Cable – Annual Bid**. As with previous material bids, pricing and lead times are higher than historical awards. On the Overhead bid, lead times of the Primary wire are 6+ months while the messenger wires are Stock – 12 weeks. Engineering has estimated the maximum purchase amount of \$70,000 under this contract. For the URD cable, aluminum products have a 6+ month lead time while the copper cable, used for circuit getaways and ties has a lead time of 14-15 months. We continue to upgrade the 18L circuit getaways, which are approaching 30-35 years since last replaced. The URD cable we order today has an estimated 40 year life span. For the next 2-3 years, we will upgrade 1 circuit per year. The total estimated procurements from the bid are estimated at \$750,000. **Document: CEL Bid 23-0505 OH Conductor Eval+Rec.pdf and CEL Bid 23-0506 URD Cable Eval+Rec.pdf**

Commissioner Mashia made a motion to award the bid consistent with staff recommendation. Commissioner Sittard seconded the motion. Discussion: None. Motion was passed 3 to 0.

**Payment in Lieu of Tax (PILOT) Commitment Vote**

The General Manager informed the Board that the City annually requests a commitment on the Payment in Lieu of Tax (PILOT) for the upcoming fiscal year. For the past 2 years the PILOT has been set at \$758,000 and the General Manager recommends CEL maintain the PILOT at its current level. Commissioner Mashia made a motion to accept the recommendation from the General Manager. Commissioner Pasternak seconded the motion. Discussion: It was discussed that it might be necessary to decrease the PILOT in 2024 depending on the cost to replace the Chicopee Hydro penstocks – the Hydro Plant makes up \$140,000 of the total PILOT Payment. Motion was passed 3 to 0. **Document: PILOT Policy 23-001.pdf**

**Municipal Lien Vote**

The General Manager informed the Board that our Attorney has informed us that it is necessary for CEL to formally take a vote to accept MGL Chapter 164, Section 58B and record such vote at the Registry of Deeds and provide a copy to the City Tax Collector, if we are to continue to place liens on property as a mechanism to collect from delinquent accounts. The language from MGL is as follows:

***MGL c 164 s 58B:** If the rates and charges due to a municipal lighting plant, which accepts the provisions of this section and sections fifty-eight C to fifty-eight F, inclusive, by vote of its municipal light board, as defined in section sixty-nine B and, by its manager of municipal lighting, files a certificate of such acceptance in the proper registry of deeds and files a copy of said certificate with the collector of taxes of the city or town in which the lien hereinafter mentioned is to take effect, for supplying or providing for gas, electricity, steam, or services, or furnishing materials or appliances in connection therewith to or for any real estate at the request of the owner are not paid on or before their due date as established by the municipal light board, such rates and charges, together with interest due thereon and costs, including attorney's fees, relative thereto, shall be a lien upon such real estate. The registrar of deeds shall record such certificate of acceptance in a book to be kept for the purpose, which shall be kept in an accessible location in the registry of deeds.*

I, the Clerk of the Municipal Light Board of the City of Chicopee Municipal Lighting Plant, certify that at a meeting of the Light Board held on September 28, 2023, of which meeting all members of the Board were duly notified, all notices were duly posted and at which meeting a quorum was present and acting throughout, and which meeting was duly convened in Open Session, the following vote was passed by a vote of 3 to 0, all of which appears in the official records of the Board or Commission in my custody:

**VOTED:** That the City of Chicopee, acting through its municipal light board, on this date hereby accepts the provisions of Massachusetts General Laws

Chapter 164, Section 58B to 58F, inclusive (as enacted by St. 1980, c. 551);

That the manager of Chicopee Electric Light is hereby authorized and directed to file a certificate of this acceptance in the proper registry of deeds; and

That the manager of Chicopee Electric Light is hereby authorized and directed to take all other actions he deems necessary or advisable to carry out the purposes of this vote.

The General Manager informed the Board that the Legislature is reviewing a bill that will include telecommunications/internet uncollectibles and or delinquencies under the lien umbrella. Commissioner Mashia made a motion to accept the vote as presented by the General Manager. Commissioner Sittard seconded the motion; Discussion: None; Vote was passed 3 to 0.

#### **Purchase Power Adjustment Update**

The General Manager informed the Board that the Purchase Power Adjustment (PPA) of  $-.025/\text{kW}$  implemented effective July 1<sup>st</sup>, has resulted in  $\sim\$2.0\text{M}$  in savings for the customer base in July and August, with an additional  $\$800\text{-}900\text{K}$  estimated for September. However, revenues due to the PPA adjustment and milder than anticipated temperatures this year, have resulted in lower than budgeted electric sales revenues – approximately  $\$5.34\text{M}$  lower through August. Power Supply cost are also significantly lower due to the lower sales (and corresponding purchases) and real-time / day-ahead prices related to our unhedged power position, coming in significantly lower than budgeted -  $\$8.31\text{M}$  through August (est.). Operating Expenses are trending slightly below budget (-2.5%). As a result, Net Operating Income through August is  $\$4.725\text{M}$  (estimated) compared to the budgeted figure of  $\$1.48\text{M}$ . Investments through August are up approx.  $\$550\text{K}$ .

The General Manager reminded the Board that when we implemented the PPA, we decided to “hold back”  $\$.01/\text{kW}$  to help replenish the Rate Stabilization Fund, which has been pulled from significantly over the past 3-5 years. As of today, we are estimating this rate stabilization contribution at  $\$800\text{K}$ . The hold back also allows for sales revenue and power supply cost variances over the next couple of months without having to adjust the PPA. Forward energy pricing for the remainder of the year is trending quite a bit lower than budgeted so there may be opportunity to bump up the Rate Stabilization Contribution while holding the rates at their current level. We will continue to monitor the sales, power supply costs and the PPA and its impact on our year-end financial position and will make a final recommendation at the November Board Meeting on whether a December adjustment (up or down) will be necessary.

The Board asked the General Manager to bring the Income Statement for review to the October Board Meeting. The General Manager stated that he should have final figures for August and possibly preliminary figures for September.

### **Crossroads Fiber Update**

The General Manager informed the Board that we continue to make positive progress in the deployment of the Crossroads Fiber offering. As of this week, we have 77 Fiberhoods completed, an additional 9 Fiberhoods under construction (w/ 5 accepting applications) and plans to build 5 more by end of year. This will put our end-of-year total at 91 Fiberhoods or around two-thirds of the total in the City. We currently have just over 3900 active customers, with an additional 150 in the queue and we continue to add new customers to the queue on a weekly basis. We are installing approx. 100 new customers per month and anticipate reaching 4200 by the end of the year. Revenues for the year are slightly above budget and should exceed \$3.0 for the year.

### **Legislative Activities/Updates**

The General Manager informed the Board that we have been closely monitoring the activities at the Statehouse through the various resources we have access to, including MMWEC, MEAM and ENE. A common theme is being conveyed by all these resources – there is a high level of dysfunction in the House and Senate and significant discord between the House and Senate Telecommunications, Utilities and Energy (TUE) Subcommittees. The TUE is where the majority of legislation is discussed that impacts MLP's. The 2 have been unable to even come to agreement on Joint Rules for the Subcommittees including establishing common meeting dates. As a result they are each marching forward independently with no end-game. There are a number of bills that can impact the MLP model, including the Mutual Aid Bill, changing the make-up of the MMWEC Board of Directors and several bills that make available state funds as a carrot to attempt to roll MLP's into the same de-carbonization/renewable requirements as the Investor Owned Utilities, including the Renewable Portfolio Standard (RPS) and the Clean Peak Standard (CPS). The General Manager reminded the Board that the MLP's previously agreed with the State on a separate de-carbonization plan – 50% carbon free by 2030, 75% by 2040 and 100% by 2050. The MLP's are leading the way on greening our power portfolios so there is no reason to interfere with the approach that the MLP's have agreed to take.

Yesterday, the first hearing on modifying the MMWEC Board of Directors was held at the Senate TUE. MMWEC submitted written testimony and participated virtually in the hearing. CEL has signed onto a Member testimony letter with the other MMWEC MLP's, which will be delivered on Friday. As discussed at a prior Board meeting, the bill would essentially remove local control from the member utilities by replacing MLP Manager's with gubernatorial appointees (up to 6) and reserving 3 of the remaining 7 seats for MLP Commissioners/Board Members. This would leave only 4 seats open for MLP Managers, who are most intimately familiar with the day-to-day operation of a municipal electric utility. It also changes the 3-year term with 1-year terms for the 7 elected seats, which would negatively impact any continuity. Additionally, the legislation would impose an entirely new and unique standard of review by the DPU for MMWEC Projects that no other entity required to obtain DPU approval would be subject to. Finally, it undermines MMWEC's ability to operate in a competitive energy market by undercutting its ability to protect trade secrets. The chair on the Subcommittee did not ask any questions regarding MMWEC's oral testimony and the 2 co-sponsors of the bill, did not attend the hearing. No other parties testified. The same process will repeat itself, when the bill is

heard in the House Subcommittee. Based on this “apparent lack of interest”, it is hard to believe that this get any traction.

We continue to argue against any bill or legislation that would exclude nuclear and large scale hydro as a renewable resource, in that it would have significant impact on many MLP’s that have investments or PPA’s tied to these 2 non-carbon emitting resources. If passed it could lead to large stranded investments, which would negatively impact the rates for the MLP customers.

The general consensus from our lobbyists is that the dysfunction in the TUE subcommittees will essentially prevent any legislation from making it out of committees this session, which wraps up in mid-November. On a positive note, Senator Velis, who represents parts of Chicopee, Holyoke, Westfield and Russell, all communities with municipal light plants, has agreed to be the Senate Chair of the MLP Caucus.

### **Front St. Generator Noise Testing**

The General Manager informed the Board that we received the report from the consultant that performed the noise study, in early September, for our generators and not surprisingly, we are in violation of the standard that was created well after the generators were installed. We are currently reviewing the report and are working with Tighe & Bond on how to present this report to the DEP and work with them on a sensible approach to address the issue. Some findings from the study: (1) One of the 3 units is quite a bit louder than the other 2 and we are going to work with Peaker Services in late October when they are here to perform the semi-annual maintenance to see if we can determine why this is the case; (2) the stacks, not the engine/generator housing is the primary noise source – the noise from the housing is buffered by buildings, trees, the grade, etc. Once we have preliminary discussion with the DEP, we will engage the consultant on for Phase 2 of the evaluation which will involve identifying possible noise mitigation options for consideration (with budgetary costs estimates). We will evaluate the options and work with Tighe & Bond on presenting the findings and options to the Mass DEP to determine an acceptable approach from both CEL’s and the DEP’s perspective.

### **Chicopee Hydro Penstock Upgrade Update and Budget Cap**

The General Manager informed the Board that the bid for the penstock replacement project was put out on September 20<sup>th</sup>, with a bid opening date of October 20<sup>th</sup>. It is our goal to evaluate the proposals and come to the October board meeting with a recommendation of award, or non-award if the price comes in higher than the \$2.75M ceiling that was voted on previously. The General Manager has invited the President of Ware River Power, who “operates and maintains” our site to come to the next Board meeting to discuss the proposals and the approach to getting the units back up and operational next Fall.

In light of the building collapse at the Red Bridge Hydro site, which is also maintained by WRP, the Board recommended that the General Manager engage a civil/structural engineer to evaluation the structural integrity of the gatehouse at our Hydro facility. The General Manager will reach out to Tighe & Bond to see if they can assist.

*Minutes of Meeting (6) of (6)  
Thursday, September 28, 2023*

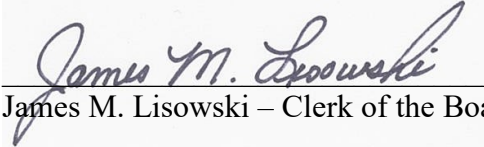
**Community Caring Fund – Matching Vote**

The General Manager updated the Commissioners on the Chicopee Community Caring Fund. The fund which is managed by the VOC provides fuels assistance to low income Chicopee families. To date the fund has received \$11,733.00 in donations. The General Manager stated that CEL has historically matched the first \$10,000 of these funds. Commissioner Mashia made a motion to match the entire amount of \$11,733.00 in donations for the Chicopee Community Caring Fund. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

**NEW BUSINESS**

- The General Manager informed the Board that he will present the 2024 Capital Budget at the October Board meeting, which has been tentatively scheduled for Monday, October 30<sup>th</sup>.

Commissioner Sittard made a motion to adjourn the meeting at 5:31 PM. Commissioner Mashia seconded the motion. Discussion: None. Motion was passed 3 to 0.

  
James M. Lisowski – Clerk of the Board

Approved: October 30, 2023