

Chicopee Municipal Lighting Board
Minutes of Meeting
Wednesday, March 29, 2023

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 12:58 PM on Wednesday, March 29, 2023

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

Commissioner Sittard made a motion to accept the minutes of the February 23, 2023 meeting as presented. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0 with 1 abstention (Commissioner Mashia)

Commissioner Sittard made a motion to concur with the payment of **Warrant #E030323** dated 2/27/2023 in the amount of \$21,757.84; **Warrant #E031023** dated 3/2/2023 in the amount of \$218,374.12; **Warrant #E031023** dated 3/6/2023 in the amount of \$112,081.17; **Warrant #E031723** dated 3/9/2023 in the amount of \$248,532.50; **Warrant #E031723** dated 3/13/2023 in the amount of \$4,584,733.15; **Warrant #E032423** dated 3/16/2023 in the amount of \$141,690.74; **Warrant #E031723** dated 3/20/2023 in the amount of \$2,350,848.79; **Warrant #E033123** dated 3/23/2023 in the amount of \$257,551.76 and **Warrant #E033123** dated 3/27/2023 in the amount of \$26,335.50. Commissioner Pasternak 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 **\$187,691.58**. Commissioner Mashia seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager presented the Commissioners with CEL Bid #23-0502 for a Annual Bid for Fiber Optic Conduit Installation Services. The Board was informed that this time around, we separated the underground telecom component from construction and service installs and pricing came in slightly lower than the last pricing we received. We received 3 bids – Sertex LLC, Phoenix and JL Raymaakers. Staff is recommending the award to Sertex, LLC as the low bidder with an annual estimated cost of \$1.16M. Sertex is the current contractor for construction and service installation.

Commissioner Sittard made a motion, to award the bid consistent with staff's recommendation. Commissioner Mashia seconded the motion. Discussion: Motion was passed 3 to 0.

ACTION ITEMS:

Certificate – Designation of Voting Representative & Alternate(s)

Commissioner Sittard made a motion to designate James M. Lisowski, its Voting Representative and Commissioner Pasternak, Sittard and Mashia as Alternate Designated

Voting Representatives, to vote and execute written instruments on its behalf as it relates to various MMWEC actions, per language as follows:

Voted:

- (1) that the City of Chicopee, pursuant to Article III, Section 6 of the Massachusetts Municipal Wholesale Electric Company (MMWEC) By-Laws, as revised and amended, and Section 3(b) of Chapter 775 of the Acts of 1975 hereby designates James M. Lisowski, its manager of municipal lighting, as its Voting Representative, to vote and execute written instruments on its behalf relative to adoption, amendment, or repeal of MMWEC By-Laws, the election of President and Directors of the Corporation, and other action by the Member cities and towns of MMWEC; and
- (2) that Joseph F. Pasternak III, a member of the municipal light board, is hereby designated as an Alternate Voting Representative who shall, in the absence of the Voting Representative, have all the powers conferred upon the Voting Representative, and
- (3) that Carl E. Sittard, a member of the municipal light board, is hereby designated as an Alternate Voting Representative who shall, in the absence of the first designee and second designee, have all the power conferred upon the Voting Representative, and
- (4) that Daniel J. Mashia, a member of the municipal light board, is hereby designated as an Alternate Voting Representative who shall, in the absence of the first designee, the second designee, and the third designee, have all the power conferred upon the Voting Representative

Commissioner Mashia seconded the motion; Discussion: None; Motion was passed 3 to 0.

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

Pasternak	Aye
Sittard	Aye
Mashia	Aye

The motion was passed 3 to 0.

Commissioner Pasternak made a motion at 1:20 PM to adjourn from Executive Session and enter into Regular Session. The motion was seconded on the basis of a roll call vote as follows:

Pasternak Aye
Sittard Aye
Mashia Aye

The motion was passed 3 to 0.

MMWEC Special Project 2023A (Seabrook PPA) – Certificate of Vote

The General Manager informed the Board that MMWEC Special Project 2023A, a Purchase Power Agreement (PPA) for Energy and environmental attributes between MMWEC and Nextera Energy (Seabrook Nuclear Plant) has been created and MMWEC requires a vote of the Board authorizing its members to participate in the Project/PPA. The PPA will provide CEL around-the-clock energy with Emission Free Energy Credits (EFEC’s) and will be an important part of our Clean Energy Roadmap to meet the State’s 2030-2050 de-carbonization plan. The project will deliver energy and attributes as early as 2028 and will continue until 2050. The General Manager is recommending to the Board that CEL participate in the project and purchase up to 20 MW of ATC energy and attributes. The final amount will be determined based on the other members’ participation and desired amount. It is likely that our final figure will be in the 14-18 MW range and will provide approx. 25-30% of our energy and attribute needs at the start of the contract term.

WHEREFORE, it is voted:

VOTE: That the MLP Board of Commissioners (“Board”) hereby votes that:

1. City of Chicopee, as a member of the Massachusetts Municipal Wholesale Electric Company (“MMWEC”), acting by and through its municipal light department, hereby agrees to participate in MMWEC’s Special Project 2023A; and
2. City of Chicopee, acting by and through its municipal light department, hereby agrees to pay its pro rata share of the monthly costs for carrying out Special Project 2023A pursuant to the scope of work and budget for such Project as developed by MMWEC and received by the manager of the municipal light department (“Manager”); and
3. Manager is hereby authorized and directed to make payments to MMWEC calculated on the basis of the City of Chicopee’s pro rata share of the expenses as set forth in the budget for Special Project 2023A; and
4. Manager is hereby authorized and directed to execute the Participation Acknowledgment, a copy of which has been presented at this meeting and is filed with the permanent records hereof; and

5. Power Purchase Agreement with MMWEC for Special Project 2023A, is hereby approved substantially in the form of the Power Purchase Agreement (“PPA”) presented to the Board at this meeting and made a part of the record of this meeting; and
6. Manager is hereby authorized to execute and deliver the PPA, substantially in the form of the PPA presented to the Board at this meeting, with such changes and amendments thereto as the Manager, may deem necessary or appropriate, without need of further approval or action from this Board; and
7. Actions previously taken by the Manager which are consistent with the purpose of this vote are hereby ratified and confirmed; and
8. Manager is hereby authorized to execute any other documents he deems necessary or appropriate to carry out the purposes of this vote without need of further approval or action from this Board.

Commissioner Mashia made a motion to authorize the General Manager to execute the Participant Acknowledgement for MMWEC Special Project 2023A.

Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

BOARD INTERVIEW OF GM CANDIDATES

CANDIDATE #1

The candidate introduced himself to the Board. He has been at CEL for approximately 5 ½ years, with the last 3 years as the Engineering & Operations Manager. Prior to that, he was the Engineering Supervisor/Senior Electrical Engineer. Prior to coming to CEL, the candidate spent 8+ years at Eversource Energy, starting initially in the gas division before transitioning to the electric side of the house, initially focusing on the Distributed Generation before moving to Distribution Engineering for the last couple of years. Prior to that, he worked as a process engineer for a manufacturing company. He attended Rutgers University.

Q1. The candidate was asked to compare his time at Eversource, an investor owned utility with CEL.

RESPONSE: The candidate stated that operationally, on a day-to-day basis, from an electric distribution perspective, there are a lot of similarities. Both have the same goal – to provide reliable service. The biggest difference he sees is the involvement of management at CEL vs. IOU’s have a lot of bureaucracy that you need to deal with. The Mission Statement for CEL is known by all employees and we are all working towards the same goal.

Q2. The candidate was asked to summarize his experience as a supervisor at CEL

RESPONSE: The role as a supervisor was thrust upon him when the previous E&O Manager left unexpectedly with very little notice. The challenge was increased as this happened just before the Pandemic hit so there were additional challenges that needed to be handled. He treated this as a learning experience and an opportunity to grow professionally. He is still developing his management style but when dealing with employees, he treats each employee as an individual and adjusts his style based on the situation on a case by case basis. He currently has 9 direct reports (GF, Station Supvr., Meter Supvr., and 6 Engineers). The E&O department is made up of approximately 35 total employees. He feels he has created a strong team environment where all support the direction of the department.

Q3. The candidate was asked what he saw as the biggest challenges faces CEL and the industry over the next 3-5 years

RESPONSE: The candidate stated that the 3 biggest challenges he sees are: (1) Purchase Power Strategy to meet the State's decarbonization goals (2030-2050); (2) Electrification and the increase in demand and stress it will place on our electrical infrastructure, which could be exacerbated by supply chain issues we are currently facing and (3) Succession Planning as we transition from the old to new guard. There is a lot of experience and institutional knowledge that is currently leaving and will continue to leave over the next 2-3 years.

Q4. The candidate was asked about his experience related to the budgeting process

RESPONSE: The candidate stated that he has overall responsibility for the Engineering and Operations Budget preparation – both expense and capital. He is directly responsible for the Engineering Budget and works with the department supervisors in budget development on the Operations side. He has a very solid grasp on the “pulse” of the department. His approach is to “trust but verify” his staff's submittals. The biggest challenge will be understanding the Power Supply Budget process, which is spearheaded by the GM and the Power Supply Analyst. He states that he does have some concerns about the fact that the Power Supply side is a department of 1 and feels that consideration should be given to providing some redundancy in that area.

Q5. The candidate was asked about his experience with CEL and what changes he would make if offered the job

RESPONSE: The candidate stated that he enjoys the workplace and the environment and doesn't regret at all making the jump from an IOU to CEL and sees a long-term future here. He feels everyone is pulling in the same direction. He stated that if not selected for the GM, he would be here to support whomever is selected. He stated that he feels that CEL runs a pretty tight ship and there isn't a need for change for changes sake. He feels there is an opportunity to improve communication throughout the company from management down to operations staff. He stated that he would hold off making any major changes until he was in the job for a period of time. There are likely to be numerous “unknown unknowns”

and he would deal with these on a case by case basis. He would evaluate and determine the impact these now “known unknowns” might have before determining a course of action.

Q6. The candidate was asked about his familiarity with Crossroads Fiber

RESPONSE: The candidate stated that they have a limited understanding of that side of the business, but understands the importance of the venture and the value it brings to CEL and the customer base. His exposure is primarily limited to the fact that operations and telecom do share resources here at CEL and resource planning is necessary. He would need to rely on our internal Telecom staff to continue to drive the project forward. He recognized that at some point in the near future, we will need to transition from building the system out to operating and maintaining the system. He feels that we should focus on Chicopee first before looking for outside opportunities.

CANDIDATE #2

The candidate introduced himself to the Board. He has been CEL’s IT Manager for 6+ years and 3+ years as its IT and Telecom Manager. The candidate built the necessary team and other necessary resources to roll out the Crossroads Fiber venture and has spearheaded the successful deployment of the project to over 60% of the City, with the goal to complete the deployment by late 2025/early 2026. As the IT Manager, the department serves and supports all aspects of the company so has gained a familiarity with how all departments operate along with their needs and wants. Previously worked for Riverbend, which has similar needs for resiliency and redundancy similar to the needs within the Electric Industry. Candidate has 9 direct/indirect reports

Q1. What do you see as the biggest challenges facing the industry and CEL specifically over the next 3-5 years:

RESPONSE: The candidate stated that we are in the middle of an energy “crisis” that has numerous interconnected parts. These include the electrification of the home and business and the increase in load that will result. This will stress the electrical infrastructure and we must be ready to accommodate this expected load growth. Additionally, the goal towards a Carbon Free Energy Portfolio, as dictated by the State will drive our decision making as it relates to energy procurement. We must adapt and change to a very dynamic environment and attempt to maintain rates at a relatively stable level. Community outreach and involvement will be important as it will be necessary to provide guidance to the consumer. We need to stress the value of the public power model to our customers.

Q2. As the Telecom Manager, how do you see Crossroads evolving over the next several years?

RESPONSE: It is important to understand that Crossroads Fiber is essentially a start-up company. In the first 3-4 years, we have built a “build machine” and will need to transition to an operations and maintenance approach starting in 2026. We have staffed accordingly and are leveraging contractors during the build-out of the system. The staffing level will be consistent with transitioning to the O&M side of

the business model. Candidate feels that one of the major issues he sees with other MLP approaches is that they haven't planned for this transition. It is critical to focus on Chicopee and complete the city-wide build before even considering expanding to other communities. There may be opportunities for expansion in the future but a decision is still a couple years out.

Q3. As an internal candidate, how would you handle it if you were not selected as the preferred candidate?

RESPONSE: The candidate stated they are very happy with their job at CEL and really likes the way we operate and do business. The candidate stated that it would be disappointing to not get the job, but he would be happy to stay on in his current capacity and would support whomever is hired as the new GM. He stated that the company is not broken and that we should look to build upon the things we do well. If selected, the candidate stated that he would still support the Telecom and IT Departments and would remain involved on that side of the business.

Q4. The candidate was asked to discuss further where he sees CRF going

RESPONSE: Candidate stated that we currently have over 3,000 customer with a goal of 7,000. He sees an opportunity to reach as many as 10-12,000 customers ultimately. At some point in the next year or 2, we will have to evaluate if participation in the Affordable Connectivity Plan makes sense and the impact it would have on the profitability of CRF. The infrastructure we are building can accommodate a 100% City-wide buildout. Overall, he feels that project has been successful to this point.

Q5. Candidate was asked about his readiness to manage a large scale team vs. the smaller team he currently manages as the IT/Telecom Manager?

RESPONSE: The candidate stated that he feels he is ready to take on the next phase of his professional development and is ready for this opportunity. He stated that he manages "generally" and the GM title states, and he would provide the necessary leadership and guidance to allow the "subject matter experts" to do the job that they were hired to do and do it well.

Q6. The candidate was asked about his familiarity with the power supply markets

RESPONSE: The candidate took a power markets course on-line through Duke University to learn about the various markets. As part of his career development, he understood that familiarity with the markets would be important if/when an opportunity to become GM became available. The course was indirectly through ISO-NE. He is committed to CEL and would like the opportunity to lead the company going forward. There are still things to learn and would leverage the existing GM overlap, MMWEC and internal technical resources to enhance his understanding of the markets.

Q7. The candidate was asked what he thought were going to be his top 3 steepest learning curves

RESPONSE: The candidate stated these would be the Purchase Power process, setting rates and union negotiations. He stated that he would leverage working side by side with the existing GM in 2023 prior to his retirement, to gain a better understanding of these issues.

CANDIDATE #3

The Candidate introduced himself to the Board. He has been employed at MMWEC for approximately 7.5 years, most recently as an Engineering Supervisor, related to the operation of Generation Assets. He stated that because CEL has more internal expertise, he has had limited interaction with CEL – more with the smaller MLP’s. Has been involved in the deployment of battery storage at the MLP’s, including the Delorean Projects, totaling upwards of 50 MW of installed capacity. He has found it extremely challenging to work for 20 members, who each have their own needs, priorities and wants. He is ready to advance his professional career with an MLP, where he can lead and drive change with a specific utility. He currently has 6 direct reports and supports 35-40 additional operational staff at the Stony Brook Energy Center. Prior to MMWEC, he worked within the manufacturing environment with approximately 30 people working under him.

Q1. The candidate was asked about his experience with Power Supply Activities and Portfolio Management

RESPONSE: Candidate stated that he is involved in Portfolio Management for a number of MMWEC Members – Project Ownership vs. PPA’s. He engages with the Market Management folks at MMWEC, who actually procure the energy, in a support role. He works with the members in layering in the renewable components of their portfolio and leverages the subject matter experts and “intelligence” at MMWEC. He stated there is a pretty steep learning curve in today’s markets – need to understand the customer needs, technical solutions and how to weight/balance these needs and other factors in the decision making process.

Q2. The Candidate was asked what he felt would be the biggest learning curve if offered the job

RESPONSE: The candidate stated the biggest learning curve was to learn how Chicopee specifically does things and operates. Each MLP, generally operates within the same “guardrails”, but they all do things differently. He would need to understand the challenges facing CEL, including our electrical infrastructure, staffing/personnel related challenges among others. He states that he feels confident in his knowledge of the energy markets and power supply related activities. He would learn from the team here at CEL and would need to become familiar with our Crossroads Fiber venture and our approach to the buildout.

Q3. The Candidate was asked about his current role at MMWEC but also what he is passionate about

RESPONSE: His current role is more of a managerial role but he still enjoys getting his “hands dirty” when necessary. He finds it very rewarding to develop young talent and engineers. He sets priorities, establishes deadlines/timelines and

works toward meeting these. He also finds it satisfying when he is able to save the MLP's money.

Q4. The candidate was asked about his management style

RESPONSE: The candidate considers himself more a listener than a talker. He listens to understand in order to come to the most appropriate decision. He actively engages with people and prefers one-on-one interaction vs. email, zoom, etc.

Q5. The candidate was asked how his experience at MMWEC could benefit CEL and if thinks there would be any issues if he was named GM

RESPONSE: The candidate stated that they know who to approach to address any questions or concerns. He stated that there shouldn't be any issues as long as everyone remains professional and does what is in the best interest of the utility, which was what MMWEC was formed to do.

Q6. The Candidate was asked what he thought the biggest challenges would be personally and for CEL in the short term.

RESPONSE: Learning how CEL operates vs. other MLP's that he has worked with will be a priority. He also stated that dealing with legislative issues will be important and also building relationships within and outside CEL. Also, in today's environment, employee retention and building a capable and strong workforce will be critical.

Q7. The Candidate was asked whether he had any experience in Union Negotiations.

RESPONSE: The candidate stated that although he hasn't been involved in union negotiations he understands that it is a give and take process that is a balancing act. It's important to maintain a positive and productive working environment – we are all working for the same team with the same goals.

Q8. The Candidate was asked whether he had any budgeting experience at MMWEC

RESPONSE: The candidate stated that they are involved in the budgeting for the Stony Brook Plant - both Capital and Expense. The MMWEC process is different than CEL in that they have a budget team that works with the various departments vs. the individual department heads at CEL. In establishing the budgets, he needs to serve the needs of the member MLP's and what is in their best interest.

Q9. Candidate was asked if he thinks he is ready for the responsibilities that come with being the GM

RESPONSE: The Candidate stated that they are prepared for this role and rigors that come with the position. The key is to establish a balance between home and work life.

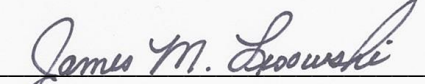
The Candidate asked the Board what they felt are the key issues facing the new GM. The Board identified Succession Planning/Employee Retention, the transition of our power

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portfolio to a non-carbon portfolio and understand that bringing the biggest value to the consumer has to remain our primary focus.

The Board will reconvene in mid-April to formally discuss the candidates, make a selection and set the salary for the new GM. The Board will authorize the General Manager to negotiate the terms of the contract under the “guardrails” provided by the Board. The date and time of the meeting will be determined over the next week or so.

Commissioner Pasternak made a motion to adjourn at 6:48 pm. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.



James M. Lisowski – Clerk of the Board

Approved: April 20, 2023