

*Chicopee Municipal Lighting Board
Minutes of Meeting
Wednesday, January 24, 2024*

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:03 PM on Wednesday, January 24, 2024

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

Commissioner Mashia made a motion to accept the minutes of the December 6, 2023 meeting, as presented. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Mashia made a motion to concur with the payments of *Warrant #E121523 dated 12/11/2023 in the amount of \$273,263.64; Warrant #E122223 dated 12/14/2023 in the amount of \$319,359.03; Warrant #E122223 dated 12/18/2023 in the amount of \$327,737.55; Warrant #E122923 dated 12/21/2023 in the amount of \$503,921.27; Warrant #E122923 dated 12/21/2023 in the amount of \$3,398,723.44; Warrant #E010524 dated 12/28/2023 in the amount of \$227,835.36; Warrant #E010524 dated 1/2/2024 in the amount of \$89,666.03; Warrant #E011224 dated 1/4/2024 in the amount of \$319,054.78; Warrant #E011224 dated 1/8/2024 in the amount of \$37,926.80; Warrant #E011924 dated 1/16/2024 in the amount of \$192,360.66; Warrant #E012624 dated 1/22/2024 in the amount of \$3,130,243.29 and Warrant #E012624 dated 1/18/2024 in the amount of \$270,170.96.* Commissioner Sittard 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 \$383,409.54. Commissioner Mashia 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 \$32,134.44. Commissioner Mashia seconded the motion. Discussion: The General Manager informed the board that CEL is establishing a relationship with ONLINE Utility Exchange, a collection services agency; Motion was passed 3 to 0.

Commissioner Pasternak made a motion that Commissioner Mashia become Chairman of the Municipal Light Board as of January 25, 2024. Commissioner Sittard enthusiastically seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager noted that the Clerk position normally voted on at this meeting had been previously set at the October 2023 meeting to be himself, the General Manager, Daniel Faille.

Commissioner Sittard made a motion to give CEL employees a ½ day on Good Friday for 2024. Commissioner Mashia seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion to give CEL employees a full day holiday for June 19 (Juneteenth) for 2024. Commissioner Mashia seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager noted that historically we have taken a vote every year, based on the suggestion of counsel, to ratify and confirm the indemnification of CEL commissioners, officers, or attorneys to the fullest extent permitted by Chapter 258 of the Massachusetts General Laws. We took this vote in December in advance of Daniel Faille assuming the position of General Manager.

DISCUSSION ITEMS:

Chicopee Hydro Update

The General Manager informed the Board that the engineering firm retained to provide restoration options for the penstock replacement project received budgetary pricing from Structural Technologies, a carbon fiber design-build contractor, for a replacement alternative utilizing a Composite Liner for the full length of the penstock. Based on this budgetary information received, it appears this carbon fiber composite liner option is available at a cost close to the budget allocated for the project. Our engineering firm recommended the next step to be updating the design drawing/specifications for an internal carbon fiber reinforcement option. The documents will define the design parameters the carbon fiber design-build contractor would need to meet. CEL has requested they prepare a contract amendment for these services and get started on this work once authorized, which includes creation of aforementioned construction documents, permitting assistance, and bid document preparation, at a cost of \$21,500. The board discussed what the return on investment in the project looked like. The General Manager indicated that the cost to complete the rehabilitation of the plant to the point where it will once again be operational is likely very close to the life expectancy of those repairs. Options to either lease the property to a third party whom would be tasked with making the repairs in exchange for a long-term lease and a potential purchase power agreement at an acceptable rate, as well as an investigation into CEL's ability to sell the site were discussed. Commissioner Sittard expressed concerns over the country of origin of the carbon fiber, and also requested that we be provided with examples of successful implementation of this repair method. Commissioner Pasternak wanted to know more about the warranty period of any work performed. The General Manager will look further into alternative options for the plant and report back to the board at the next meeting.

Preliminary December '23 Sales/Power Costs Update

The General Manager provided an update on the power costs since our last Board Meeting. At that time, the General Manager presented to the Board projections for November and December. Actual November came in at \$0.12/kWh and December preliminary is \$0.143/kWh. There are a couple more bills to be received, but we don't anticipate a significant change in the December figure. Actual December costs will not be known until mid-February.

The General Manager informed the Board that prices for the first 2 weeks in January were well below budget due to the mild weather. However, this past week of colder weather caused spot prices to increase to \$0.08/kWh, still below our budget number of \$0.1101/kWh.

The General Manager informed the board that the initial estimate for rate stabilization contribution in 2023 would be approximately \$748,667.

Crossroads Fiber Update:

The General Manager informed the Board that we are nearing 4,275 active customers and approximately 86 additional in the survey/install queue. We have 4 additional 2023 FSA's with in various stages of completed construction - either undergoing or waiting for splicing and testing. The first plan for 2024 build has been received, and construction should begin shortly.

The General Manager informed the Board that we will be starting several marketing campaigns to better compete with the incumbent provider. First, increasing the speed (without increasing the price) on our lower-tier speed plan to better compete with their introductory/reacquisition offering. Second, implementing a "loyalty program" that aims to provide a discount to customers that have remained with Crossroads Fiber for a certain period of time, namely 5 years. Creative marketing efforts are underway. The board indicated they were in support of this approach, noting that marketing efforts of this type were to be expected at this stage of the project. The General Manager was directed to continue with this approach.


New Business

1. Phone Tree – the General Manager informed the board that preparations are being made to implement a simple phone tree during business hours to expedite the routing of calls to the correct department. While there are dedicated numbers for both electric customer service and Crossroads Fiber, many customers call the main published number for CEL. The options will intentionally be few, and will always include a "dial zero" option to reach a live receptionist.

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2. Inventoried Energy Program – ISO-NE declared an inventoried energy day (IED) on 1/20/2024. CEL participated in the spot market, resulting in a \$2,555.17 payment. Required participation costs for January amounted to \$73,779.04.
3. Outage Notification – The board directed the General Manager to develop a standardized outage notification procedure for the public. Chairman Pasternak indicated that publishing generalized outage information to CEL’s Facebook page could work well. The General Manager agreed and indicated that he would work to develop a procedure and wording that could be used to report outages in the future.

Commissioner Mashia made a motion to adjourn at 4:59 PM. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.



Daniel R. Faille, Clerk of the Board

Approved: February 27, 2024