

*Chicopee Municipal Lighting Board
Minutes of Meeting
Tuesday, February 15, 2022*

Chairman Sittard called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:10 pm, Tuesday, February 15, 2022.

Present for this meeting were Commissioner Robert L. Pajak, Commissioner Joseph F. Pasternak, III, Commissioner Carl E. Sittard and General Manager and Clerk of the Board James M. Lisowski. Also present for a portion of the meeting was Nathan Moreau of the City Planning Department.

Commissioner Pasternak made a motion to accept the minutes of January 12, 2022 as presented. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion to concur with the payment of **Warrant #E012122** dated 1/14/2022 in the amount of \$3,711,888.13; **Warrant #E012822** dated 1/20/2022 in the amount of \$239,765.47; **Warrant #E012822** dated 1/24/2022 in the amount of \$299,355.58; **Warrant #E020422** dated 2/1/2022 in the amount of \$28,024.81; **Warrant #E020422** dated 1/27/2022 in the amount of \$196,898.87; **Warrant #E021122** dated 2/4/2022 in the amount of \$450,467.13 and **Warrant #E021122** dated 2/7/2022 in the amount of \$52,986.10. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion to pay **Bills and Customer Refunds** in the amount of **\$210,482.31**. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager presented the Board with a summary of his personal and company accomplishments in 2021 and the proposed goals for the company in 2022. The Board was pleased with the General Managers performance and the direction of the department considering the current environment and the leadership transition that took place in 2021. Discussion on 2022 goals will be tabled until the March board meeting. Commissioner Sittard made a motion to provide the General Manager with a 5% increase on his base salary (excluding the vehicle allowance), effective January 1, 2022 based on the General Manager's performance. Commissioner Pasternak seconded the motion, Discussion: None; Motion was passed 3 to 0.

DISCUSSION ITEMS

Abbey Brook / Bemis Pond Daylighting

Nathan Moreau, Assistant Planner for the City Planning Department discussed the need behind the Abbey Brook / Bemis Pond Daylighting project, timing of the project and its impact on CEL's property. The dam at Bemis Pond has been identified as a high-hazard dam and the City received a Dam Safety Order from the State, which will prompt corrective action by the City. The primary goal of the project is risk mitigation. The current infrastructure is undersized and if the culvert failed it could lead to a catastrophic

event that could severely impact CEL's property. There are 3 phases to the Project – Lower Dam, Front St./CEL Property and the Upper Dam. The City has submitted applications for Federal Funding – The project carries a price tag of approx. \$16M and the City hopes to obtain 75% federal funding with a 25% City Match. If things go as planned, the Project could kick off this fall at the lower dam and would take approximately 4 years to complete. Based on current projections, the work on CEL property and our underground infrastructure on Front St. would be done in 2024 during a single construction season. The design incorporates open drainage vs. piped as it currently is – this is the current design standard. During the construction, parking and use of the property along the western property line will be severely limited. The City is committed to working with CEL on other property site improvements as a result of the work to be done on the property

Juneteenth (6/19) Holiday

The General Manager and Board discussed whether CEL would follow the City's lead as it relates to observing the Juneteenth holiday (June 19), which became a Federal Holiday in 2021. Although the current Collective Bargaining Agreement does not identify Juneteenth as an observed holiday, the Board agreed to treat it as such should the City observe it.

Power Supply Update

- MMWEC 2021A- Mayflower Off-Shore Wind: terms are currently being negotiated with intent for CEL to receive approx. 32 MW of Capacity. The General Manager hopes to have additional information later this month and will present an update at the next Board Meeting
- Brookfield Hydro – MMWEC in currently formalizing an agreement for 5 MW of ATC power for 2024-33 at approx. \$66.50 / MWh, including the ME Class II RECS
- MMWEC 2022A Large Scale Battery Storage Project – 100 MW project on MMWEC campus that has a combination of PPA and Ownership Opportunities. May be delayed based on ISO-NE desire to extend MOPR (Minimum Offer Price Rule) from 2023 to 2024/25. The MOPR makes it challenging for new generation assets to bid into the mix due to minimum price established to “protect” existing generator assets. ISO-NE is concerned that cheaper options could drive out some generation resources and impact reliability. The project did not clear FCA16, but has another opportunity to clear FCA17 (2025/26) – MMWEC is cautiously optimistic that it will clear the auction next year.
- Behind-the-Meter Battery Storage – FERC issued a ruling this weekend that opens the door for BTM projects since you would no longer have to “reconstitute” (i.e. add back in) this generation when calculating your peak load. This will reduce our transmission obligation – CEL will be able to leverage the Solar assets (non-market participants) within the City to reduce our peak and therefore reduce our transmission charges. Battery Storage would accomplish the same thing – discharging during peak times. MMWEC is working with the municipals to determine if there is synergy is procuring as a group. Multiple options will be considered – Ownership, PPA, Shared Savings or a combination of PPA and Shared Savings

Crossroads Fiber Update

General Manager updated the board that we currently have 2115 customers and have an additional 30-40 in the install queue. We continue to struggle with material availability and ran into an issue this week when installing a new Tier 1 cable across the Veterans Bridge between Fuller Rd and E. Main St. We discovered that our duct bank has partially collapsed and we are unable to install the fiber across the bridge. This Tier 1 Cable is required to feed the 5-6 FSA's planned for that area, including 3 that are nearing completion of construction. These are our top FSA's by interest and the inability to light these up will impact our new service installations. We are looking to redirect our efforts to an alternate area of the city in the meantime. We hope to have this issue addressed by early March to allow the completion of the Tier 1 feed to the East St. / E. Main St. area.

Succession Planning Update

We have started to receive applications for the Compliance Manager and will start to reach out to folks next week to gauge interest and schedule interviews. We are also actively working on the job description for the new GM and hope to have something for the Board to review at next month's meeting. The GM and Board discussed how the Board will participate in the resume review, interviewing process and selection of the new Asst. GM / GM. The Board asked whether Jeff Cady, the previous manager, would be willing to participate in the GM Search – the General Manager will discuss with him next week. The existing, previous GM (if willing) and the HR/Admin Manager will provide the first round of interviews to reduce the field to 2-3 final candidates. At that time, the Board will interview these candidates and in consultation with the search team, make the decision on who to offer the job to. The goal is to have this individual on board this summer.

Chicopee Hydro Update

We have identified 4 potential consultants to assist CEL and WRP in evaluating the penstocks. We will request RFP's from the interested entities and will select one to move forward with in the next 4-6 weeks. A site visit has been arranged for early March with all the potential firms.

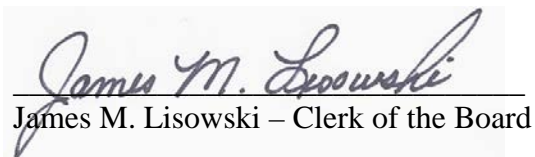
City Forestry / CEL Tree Trimming Discussion

The General Manager informed the Board that CEL and the DPW had initial discussions concerning the possibility of City Forestry taking over the responsibility for the tree trimming in the City. We currently use Asplundh and levelage 1.5 crew years per year. The City is looking at building up the Forestry department which will allow them to provide services to CEL. There may be a synergy for a single entity to perform all the trimming at once vs. CEL trimming their section of the pole and then the City coming in later to do the balance of the tree/pole. At the initial meeting with the City, CEL suggested that we consider using the City to fill the Asplundh crew we use for 6 months in the year, while still maintaining the full time crew. This will act as test to determine if expanding that service makes sense. The Board commented that any agreement must identify all CEL expectations of City Forestry and should include an "escape" clause should the City not meet these expectations. There are many issues that still have to be addressed before we agree to this approach, but there may be opportunity for this to move forward. Due to current staffing and the need to procure additional equipment, this will not occur

NEW Business

- PPA Discussion – The General Manager informed the board that there has been extreme volatility in the market and our power costs are coming in much higher than we anticipated and budgeted. We are currently evaluating the impact on the rates, but in January alone, our power supply costs came in ~\$1.5M above budget. The trend seems to be continuing into 2022 and will require a pretty significant adjustment to our PPA. The ISO-Interchange cost component of our power supply portfolio are projecting 40% above budget and historical averages. The General Manager, CEL’s Power Supply Analyst and former GM are currently reviewing the actual January costs and projected costs for the balance of 2022 and the General Manager will present a recommendation to the Board at a special meeting to be held on March 1st.
- S&P Rating – The General Manager informed the Board that CEL completed our S&P review and maintained our AA- bond rating
- The General Manager informed the Board that the City has requested that CEL allow a new CEL employee, who previously worked for DPW, to work as a CEL employee, on overtime, to assist the City with Camera related issues around the City. CEL has concerns that allowing a CEL employee to work for the City on our payroll could have implications should the employee get injured while working for the City – who would be legally responsible for the Worker’s Compensation. There are other issues related to this type of arrangement including whether the employee actually wants to do this work and if our union would have an issue with a bargaining unit employee performing work outside their normal duties and job description. The Board shared similar concerns and at a minimum would want a commitment from the City to cover Worker’s Compensation should the individual get injured while performing their work. The Board would also want to place a timeframe on this arrangement (6 months). CEL will touch base with IBEW to get their take on this arrangement.

Commissioner Sittard made a motion to adjourn at 6:10 pm. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.


James M. Lisowski – Clerk of the Board

Approved: March 2, 2022