

*Chicopee Municipal Lighting Board  
Minutes of Meeting  
Wednesday, October 26, 2022*

Chairman Sittard called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:58 PM, Wednesday, October 26, 2022.

Present for this meeting were Commissioner Joseph F. Pasternak III, Commissioner Carl E. Sittard (remotely) and General Manager and Clerk of the Board James M. Lisowski. There is currently an open, unfilled position on the Board.

Commissioner Pasternak made a motion to accept the minutes of September 22, 2022 as presented. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to concur with the payment of  
**Warrant #E100622** dated 9/29/2022 in the amount of \$219,867.06;  
**Warrant #E100722** dated 10/3/2022 in the amount of \$94,404.36;  
**Warrant #E101422** dated 10/6/2022 in the amount of \$156,526.02;  
**Warrant #E101422** dated 10/11/2022 in the amount of \$193,614.41;  
**Warrant #E102122** dated 10/13/2022 in the amount of \$257,120.78  
**Warrant #E102122** dated 10/17/2022 in the amount of \$3,489,449.48 and  
**Warrant #E102822** dated 10/20/2022 in the amount of \$74,788.99  
Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to pay **Bills & Customer Refunds** in the amount of **\$ 236,493.13**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to **Write-off the Uncollectibles** in the amount of **\$26,452.10**. Commissioner Sittard seconded the motion. Discussion: The General Manager informed the Board that the amount is down to pre-COVID levels; Motion was passed 2 to 0.

The General Manager presented the Commissioners with the Annual Bids for the following:

- CEL Bid #22-0497 for Fiber Optic Construction, Installation, Splicing and Testing
- CEL Bid #22-0498 for Excavation and Construction Services
- CEL Bid #22-0499 for Calix Telecommunication Equipment

All 3 bids had only 1 qualified bidder submit a proposal. For Bid #22-0497, Sertex LLC, who has been the contractor for the first 3 years of our deployment, was the only bid received. Unit pricing remained relatively flat compared to the last bid. Based on prior positive experience with the bidder, Staff recommends the contract award to Sertex (1 Year with 2 – 1 Year Options).

For Bid #22-0498, Adams & Ruxton Construction Company, who has been CEL's excavation contractor for the past 10+ years, was the only bid received. Based on prior positive experience with the bidder, Staff recommends the award to Adams & Ruxton (1 Year with 2 – 1 Year Options).

For Bid #22-0499, Calix, who 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 (1 Year with 1 – 1 Year Option).

Commissioner Pasternak made a motion, to award the three (3) Annual Bids consistent with staff's recommendation. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

**Documents:** *CEL Bid #22-0497 Telecom Contractor Award.pdf*  
*CEL Bid #22-0498 Excavation Contractor Award.pdf*  
*CEL Bid #22-0499 Calix Telecom Equipment Award.pdf*

The General Manager informed the Commissioners that the City was looking for a commitment on the Payment In-Lieu of Taxes (PILOT) for the 2022/2023 fiscal year. Last year the annual PILOT was increased to \$758,000. Commissioner Pasternak made a motion that CEL maintain the PILOT at its current level. Commissioner Sittard seconded the motion. Discussion: It was discussed that depending on the costs to bring the Hydro back into service, it may be necessary to reduce the Hydro component (\$140K/year) for the 2024/25 fiscal year; Motion was passed 2 to 0.

**Document:** *In Lieu of Tax Payment Policy 22-001.pdf*

The General Manager updated the Commissioners on the Chicopee Community Caring Fund. The fund, which is managed by the VOC provides fuel assistance to low income families. To date, the fund has received \$4,756.00 in donations and we continue to receive donations. CEL has historically matched these funds. The General Manager recommended that CEL match up to the first \$10,000 in donations. Commissioner Pasternak made a motion to match the first \$10,000 in donations to the Chicopee Community Caring Fund. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

## **REGULAR SESSION:**

### **DISCUSSION ITEMS:**

#### **CEL Delinquency Report**

The General Manager informed the Board that as of the end of the 3<sup>rd</sup> quarter, we have an outstanding delinquency of \$283,919. This includes 167 Residential accounts, 14 Commercial Accounts and 13 Telecom accounts. The large majority of this balance is for 117 Protected Accounts (Serious Illness, Baby and Elderly), which comprise approx. \$249,600 of the total amount. This value compares favorably to historical figures at this point in the year. With disconnect protection starting in November and rising fuel costs, it is expected that delinquencies will increase significantly over the winter. The Customer Service, billing and meter departments have done an outstanding job in keeping this number low as we head into the winter moratorium.

### **Crossroads Fiber Update**

The General Manager informed the Board that we currently have approx. 2,850 active customers with an additional 28 residential in the installation/survey queue. We currently have 56 FSA's open for applications and will open up an additional 3-4 before the end of the year. The General Manager informed the Board that we finally received 130,000' of fiber that was ordered in May of 2021 and we are expecting another 110,000' in November. This will allow us to ramp up construction again as we were on hold waiting for this fiber and the award of the new Telecom Construction contract.

### **Chicopee Hydro Update**

The General Manager informed the Board that we are still waiting for the construction estimates for the various penstock repair option presented at the prior Board Meeting – anticipate having them by early next week. Options will be presented to the Board at the November meeting with a recommendation of the option to proceed with made at the meeting.

### **BTM BESS Update**

The General Manager informed the Board that MMWEC is wrapping up the draft terms and agreement language with the preferred vendor, Delorean Power. Following the adoption of the Inflation Reduction Act, Delorean was able to increase the Shared Savings to approx. 50%. Upon receipt of the draft language, CEL will present it to our Attorney for review. It is our goal to have something in place by early 2023 with a Q2 2024 deployment. The facility would be installed at our existing 18L substation property. We have commenced discussions with Eversource, who shares the site with CEL, on the project. We are also in very preliminary discussions with Ameresco on a 2<sup>nd</sup> BESS installation at the site of the existing trash to methane plant at the Waste Management site on New Lombard Rd. As the plant production winds down, there may be an opportunity to leverage the existing site and previously approved ISO-NE generator interconnection for this application. Based on current projections, the plant will need only 1 of the original 4 generators by 2024, which will free up real estate for the batteries and associated equipment. As a reminder, the installation of a BTM BESS asset will reduce our transmission and capacity requirements by clipping the top of the demand curve.

### **Purchase Power Adjustment (PPA)**

The General Manager informed the board that we have seen a pretty significant decline in the spot market price for energy over the last 1-2 months for energy in November and December. It has gone from \$150 and \$260/MWh to under \$75 and \$150/MWh since the last meeting. This is a trend we have seen over the past 8-10 just prior to either mid-term or presidential elections. Following the election, history has shown that the prices will start inching up again. We have also closed a little more of our November open position, further reducing some exposure. Overall, we are hedged to 78% for November and 81% for December. Additionally, September numbers came in slightly less than anticipated and costs through October are hovering around \$.062/kWh. When evaluating the need for a PPA increase/decrease, we use a number of different resources in trying to calculate our projected power supply costs in the spot-market looking forward – these include MMWEC's Indicative Forward On-Peak Price Curve, Chicago

Mercantile Exchange's ISO-NE Mass Hub Day-Ahead LMP Futures and the Bloomberg Bollinger Reports. Also, as discussed at the last Board Meeting, the Mystic COS is a major unknown cost that cannot be predicted at this time. A presentation was made at the ISO Markets Committee earlier this month, and although they outlined the variables that go into the charges, they were unable to provide an answer on what the ongoing charges will be. In June, the charges were \$46K, in July \$163K and in August \$11K. We still have 4 months of charges to be billed and have assumed \$75K (average of the 3 months) for the next 4 months (\$300K total) in the PPA analysis. On paper, the price reductions, our hedging and slightly lower September and October actuals have reduced our supply costs by nearly \$1M. At last month's Board meeting, the PPA was predicted to increase by over 2 cents. Using the most current data available and the modified assumptions for the Mystic COS charges, the General Manager recommends delaying a PPA increase until December. If pricing keeps trending in the downward direction and the Mystic COS charges come in under the \$75,000/month assumption, it is possible that we will not need to make an adjustment in December. In addition to the Mystic COS assumption, we have built into the evaluation some margin to refund the Rate Stabilization Fund approx. \$225,000, which is the amount over-contributed in January (\$300K vs. \$75K as budgeted). Using today's pricing, it would be necessary to implement an increase of approx. \$.0075/kWh. Waiting the extra month, will provide us 1 additional month of actual data, the next Mystic invoice and additional clarity on the spot-market costs for December. An over-collection of funds would be put in to the Rate Stabilization Fund; an under-collection would result in pulling funds from the Rate Stabilization Fund.

Commissioner Sittard made a motion to accept the recommendation of the General Manager to delay any PPA increase until the next Board Meeting. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

#### **NEW BUSINESS:**

##### **Succession Planning Update**

The General Manager informed the Board that the GM posting has been provided to NEPPA, MMWEC and is currently posted on CEL's website. He also informed the Board that it will cost between \$15,000-\$20,000 to advertise with the Republican/MassLive, Worcester Gazette and Hartford Courant. When advertising with the Courant, you also get 30 days on ZipRecruiter, Indeed, Glassdoor, Nexxt and Jobs2Careers. Considering the importance of the position, the Board did not have any issues with the costs related to the advertising.

##### **New Commissioner Update**

The Mayor has identified a potential candidate for the open Board Position – A meeting with this candidate and the Mayor has been scheduled for this Friday.

##### **Seabrook and Off-Shore Wind**

The Board has for an update on discussions with Seabrook and the potential off-shore wind opportunities. MMWEC continues to hold discussions with the individual parties on these two

items. Nextera (Seabrook) would like to have something firmed up by end of year and we are in a bit of a hold and wait as it relates to the Off-shore opportunities.

**Tree Trimming**

The General Manager and the Board discussed the status of the City Forestry Department supporting CEL's tree trimming needs (in lieu of a contracted service). In early 2022, CEL staff had a meeting with City DPW, Highway and Forestry to discuss whether there was an opportunity for Forestry to perform CEL line clearing. At that time, CEL provided the City with our requirements, needs and program information for them to review and determine if they could provide the necessary services, keeping in mind the reason for the program in system reliability. The City was going to have to ramp up resources (personnel and equipment) and as of today, we have not received any proposal from the City.

**EXECUTIVE SESSION**

The General Manager recommended that the Commission go into executive session for the purpose of approving the Executive Session Meeting Minutes from September 22, 2022 and return to Regular Session after conclusion. The motion was seconded on the basis of a roll call vote as follows:

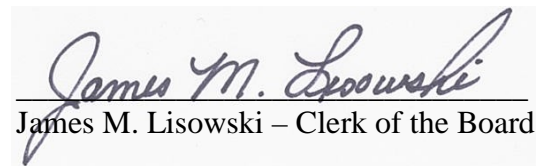
Pasternak     Aye  
Sittard        Aye  
The motion was passed 2 to 0

Commissioner Sittard made a motion at 6:05 PM to adjourn from Executive Session and enter into Regular Session. Motion was seconded on the basis of a roll call vote as follows:

Pasternak     Aye  
Sittard        Aye  
The motion was passed 2 to 0

**REGULAR SESSION**

Commissioner Sittard made a motion to adjourn at 6:21 PM. Commissioner Pasternak seconded the motion; Discussion: None; Motion was passed 2 to 0.



James M. Lisowski – Clerk of the Board

Approved: November 30, 2022