

*Chicopee Municipal Lighting Board
Minutes of Meeting
Thursday, August 30, 2018*

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 2:00 pm, Thursday, August 30, 2018.

Present for this meeting were Commissioner Carl E. Sittard, Commissioner Joseph F. Pasternak, III, Commissioner Robert L. Pajak and General Manager and Clerk of the Board Jeffrey R. Cady.

Commissioner Pajak made a motion to accept the minutes of July 30, 2018 as presented. Commissioner Pasternak seconded the motion. Commissioner Sittard abstained. Discussion: None; Motion was passed 2 to 0.

Commissioner Sittard made a motion to concur with the payment of *Warrant #E081018* dated 8/6/2018 in the amount of \$236,829.91; *Warrant #E081718* dated 8/8/2018 in the amount of \$199,948.52; *Warrant #E081718* dated 8/13/2018 in the amount of \$1,309,044.42; *Warrant #E082418* dated 8/15/2018 in the amount of \$100,237.96; *Warrant #E082418* dated 8/20/2018 in the amount of \$2,511,986.28 and *Warrant #E083118* dated 8/22/2018 in the amount of \$106,037.98. 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 \$102,260.30. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Sittard made a motion to pay *Power Bills* in the amount of \$12,272.21. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager discussed the current rate stabilization withdrawals with the Commissioners. He notified them that with the higher than normal Kwh sales for the summer and the low energy prices, CEL should be stopping the rate stabilization withdrawals. Commissioner Sittard made a motion to end the rate stabilization withdrawals in August. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager presented the Commissioners with the old renewable energy policy and a recommended new policy. He stated that based on the resource types and the lack of Renewable Energy Credits (REC) the resources are considered clean energy. In addition, he recommended increasing the goal from 25% to 35%. Commissioner Pajak made a motion to update the policy to a Clean Energy Policy and to increase the goal to 35%. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.
CEL Document: CEL Policy #07-005 Revision I

The General Manager explained to the Commissioners that the Customer Service Manager had done a survey of other Municipal Electric Utilities in the state to compare

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electric deposit amounts for residential customers. Based on her research she was recommending that CEL increase its deposits to better align with other utilities and reduce some exposure to customers skipping with balances. Based on the other utilities rates it was recommended that the rate be changed to \$125 for regular residential and \$300 for electric heat. The current rates of \$75 and \$150 were instituted in the early 90's. Commissioner Sittard made a motion to increase the deposit rates to \$125 and \$300 based on recommendation. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager also recommended that deposits be held until accounts are finalized instead of returning after 24 months. Commissioner Sittard made a motion that CEL will keep all deposits until finalized. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager updated the Commissioners on the Fiber Project. He explained that the company doing the pole audit should have it completed by the end of September. After that CEL will need to determine if proper spacing is available to locate in the telecomm space. He also let them know that he is reviewing the attachment documents and will share these with attorneys to see if CEL can locate in telecomm space. CEL is continuing to finalize details with Holyoke Gas & Electric and also to make sure all of the hardware needed for the ISP is purchased. CEL will be reaching out to marketing firms within the next month or so to put together a branding and marketing campaign.

The General Manager discussed the City HR report with the Commissioners. After reviewing the report the General Manager did not see any financial benefits to CEL. He did not believe there was any benefit to the recommendations in the report. The General Manager believes that the steps he has taken to consolidate this position has resulted in significant savings and efficiency. He also thinks that CEL is already doing many of the strategic things that the city is looking to do. In addition he thinks this would be a disservice to the employees at CEL and would decrease efficiency. After discussion the Commissioner agreed with the General Manager.

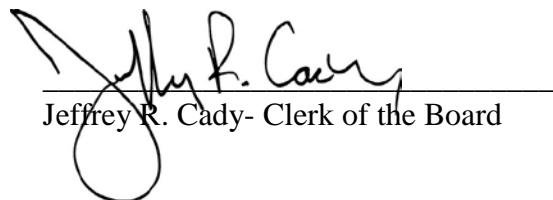
The General Manager reviewed the June and July Financials. Because of the warmer than normal summer and cold start to the winter electric sales thru July are approximately \$1,500,000 higher than budget. Net Power costs thru July are approximately \$522,000 over budget. Net Income thru the end of July is approximately \$1,256,000 higher than budget. He explained that the reduction in the rate stabilization withdrawal will help this going forward and that it may make sense to add funds to the rate stabilization fund.

The General Manager gave the Commissioners an update on the Chicopee Hydro's. He explained that one of the welds on a penstock had given way and caused significant damage to the hydro's. He went over the sequence of events with the Commissioners. He explained that the insurance carrier was reviewing the damage. He expected one unit to be

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out for a lengthy outage and the other unit may be able to come online after the repairs are made. Possibly two (2) months on that unit.

Commissioner Sittard made a motion to adjourn at 3:15 pm. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.



Jeffrey R. Cady - Clerk of the Board

Approved: September 24, 2018