

Cape Light Compact

Tel: (508) 375-6644 • Fax: (508) 362-4136

www.capelightcompact.org

POST OFFICE BOX 427 • BARNSTABLE SUPERIOR COURT HOUSE • BARNSTABLE, MASSACHUSETTS 02630

February 25, 2014

Cape Light Compact (Compact) Member Towns and Counties

Dear Compact Member Towns and Counties:

I am writing this letter to clarify recent misrepresentations of fact being circulated regarding Cape Light Compact financial records and their transparency to county and state agencies including the Barnstable County Assembly of Delegates.

There are no outstanding records requests to Cape Light Compact from the Assembly of Delegates. The Assembly made one request, and one request only, for financial records to the Compact. This written request from the Assembly's subcommittee was dated November 21, 2011 and asked for copies of "all audited financial statements and annual budgets for FY 2005, 2006, 2007, 2008, 2009 and 2010." (The document request is attached.) The Compact responded with the requested documents on December 15, 2011. The Assembly did not request any additional financial records from the Compact, and as confirmed by the Clerk of the Assembly, there have been no additional requests for information or clarification.

Fourteen months after the request to the Compact, on January 18, 2013, the Assembly wrote Barnstable County Treasurer/Finance Director Mark Zielinski for a list of 9 specific Compact financial reports. The County responded with the requested reports on January 31, 2013. (Those two document requests and responses are enclosed with this letter.)

Comprehensive information regarding the Compact's finances, including budgets and audit reports, is publicly available on the Compact's website. (Please see the enclosed website guide to location of Cape Light Compact financial information.)

In addition to the information already available to the public, I have asked Compact staff to work with the County's Finance Department to collect and compile any additional 1997-2013 data regarding the Compact's expenditures and revenues that was not requested from Mr. Zielinski and the County by the Assembly of Delegates. Most of this information is already contained in the reports the County provided to the Assembly, and the budgets and audit reports that have been publicly available for quite some time; but the Compact understands that some parties are interested in the seeing all Compact expenditures and revenues in their original format.

I estimate that this information will be available for public viewing on the Compact's web site no later than March 17, 2014. It is my hope that providing public access to 16 years of Compact expenditures and revenues will finally allay any concerns Cape and Vineyard residents might have that Compact funds have been spent inappropriately or illegally.

I cannot state strongly enough that the Compact has nothing to hide. The Compact's financial activity has been included as an agency fund in the Barnstable County audit since the Compact began in 1997. At its September 12, 2012 meeting, the Compact Governing Board voted to fund additional measures on the interest of public transparency. Agreed Upon Procedures (AUP) for the years 2003-2008 were commissioned and published. For 2009 going forward, annual independently audited financial statements, specific to the Compact's operations and prepared by an outside firm were performed and published. The audits for 2012 and 2013 are in fact about to begin.

The coming years will bring challenging energy issues, such as how to cope with increasingly volatile natural gas markets and how to ensure that grid modernization benefits residents and businesses on the Cape and Vineyard. These are the kinds of issues that the Compact is ideally suited to take on--but our success depends on our ability to have frank discussions with our constituents, conversations not tainted by unfounded distrust and false allegations.

We hope that our efforts at greater transparency will allow others to accept what Compact staff and Board members already know to be true **—we have nothing to hide, and we want to get back to working on the region's critical energy issues, with our members as our partners.**

Lastly, it is my sincere hope that the many recent actions taken by the Compact to improve transparency will enable Compact member towns/counties to affirm that their appointed representative is acting in good faith and is indeed upholding his/her responsibilities as a Board member.

Sincerely,



Joyce Flynn
Chair and Town of Yarmouth Representative,
Cape Light Compact Governing Board

Cc: Cape Light Compact Governing Board
Barnstable County Commissioners
Barnstable County Assembly of Delegates

Enclosures

**CAPE COD REGIONAL GOVERNMENT
BARNSTABLE COUNTY ASSEMBLY OF DELEGATES
First District Courthouse - Route 6A
Barnstable, MA 02630
(508) 375-6761
Fax (508) 362-6530
E-mail: aofd@barnstablecounty.org**

November 21, 2011

Mr. William Doherty
Chairman, Cape Light Compact
3195 Main Street
Barnstable, MA 02630

Ms. Maggie Downey
Administrator, Cape Light Compact
3195 Main Street
Barnstable, MA 02630

Dear Mr. Doherty and Ms. Downey:

Pursuant to Assembly of Delegates adopted Resolution 11-02 and by the authority granted through the Cape Cod Regional Government Home Rule Charter Section 2 – 7 and 2 – 8 (b) ii, the Special Committee on Inquiry into CLC and CVEC, by this letter, requests that the documents described herein be supplied and/or made available by Cape Light Compact for the Committee's review.

Please produce copies of the following documents and materials:

- 1) Any and all grant applications, award letters, grant agreements and correspondence relating to the grant of \$520,000 from ConEd Solutions to Cape Light Compact in 2006, including any such documents dated prior to 2006.
- 2) All audited financial statements and annual budgets for FY 2005, 2006, 2007, 2008, 2009 and 2010.
- 3) All annual reports to each member municipality dated or distributed at any time subsequent to January 1, 2005.
- 4) Meeting minutes from FY 2006, 2007, 2008, 2009, 2010 and 2011 (excluding executive session minutes not yet released). Note: this request may be satisfied by providing these documents for review by members of the Special Committee.
- 5) Any letters, memoranda or other correspondence from or to any elected official or public board member of the Town of Brewster concerning the Brewster Wind Project and/or the decision to seek DPU review of the denial of that project.

**Cape Light Compact
Documents requested by Special Committee
November 21, 2011**

- 6) Any correspondence from the State Ethics Commission or others related to membership of staff or directors on multiple boards.**
- 7) All statements of policy and/or description of procedures that are in place at CLC to identify and deal with any potential conflict of interest issues that may arise, including without limitation all documents regarding shared legal representation prepared as required Bylaw #1.**

At its meeting on November 16, 2011, the Special Committee agreed to request that the above listed documents be supplied to Assembly Clerk Janice O'Connell, as soon as possible, but no later than December 15, 2011. Receipt of these documents by December 15, 2011 will provide the committee with time to review the information provided prior to their next meeting, which has been tentatively scheduled for January 4, 2012.

If you anticipate any difficulties with this request, please let the Special Committee know as soon as possible. We thank you in advance for your cooperation.

**Sincerely,
Special Committee of the Assembly of Delegates**

**By Janice O'Connell
Assembly of Delegates Clerk**

**cc: Michael Hebert, Board Member
David Anthony, Board Member
Robert Schofield, Member at Large
John Cunningham, Board Member
Peter Cocolis, Board Member
Timothy Carroll, Board Member
Brad Crowell, Board Member
Peter Cabana, Board Member
Fred Fenton, Board Member
Kitt Johnson, Treasurer
Ronald Zweig, Board Member
Barry R. Worth, Secretary
Tom Mayo, Board Member
Alice Butler, Board Member
John Hodgkinson, Board Member
Sharon Lynn, Town Manager
Everett Horn, Board Member**

**Cape Light Compact
Documents requested by Special Committee
November 21, 2011**

**Bill Straw, Board Member
William C. Worthington, Board Member
Bill Sullivan, Board Member
Joyce Flynn, Board Member
Attorney Jeffrey M. Bernstein, Legal Counsel**

**CAPE COD REGIONAL GOVERNMENT
ASSEMBLY OF DELEGATES
First District Courthouse - Route 6A
Barnstable, Massachusetts 02630
(508) 375-6761 Fax No. (508) 362-6530
E-mail: rbergstrom@barnstablecounty.org
*Ronald Bergstrom, Speaker***

January 18, 2013

Barnstable County
Mr. Mark Zielinski, County Treasurer / Finance Director
3195 Main Street
Barnstable, MA 02630

Re: Request for financial documents from Cape Light Compact and Cape & Vineyard Electric Cooperative

Dear Mr. Zielinski:

At the January 16, 2013 meeting of the Assembly of Delegates a motion was unanimously approved that a request be made to the County Treasurer / Finance Director for various financial documents related to the above mentioned organizations.

On behalf of the Assembly I am making this request and ask that these documents be submitted to the Assembly Clerk within 7 business days of your receipt of this communication via email or copied to a CD, USB flash drive or other storage media in the formats specified below.

Documents requested as follows....

Standard Financial Reports for Cape Light Compact (CLC)

1. Chart of Accounts – Format I
2. Chart of Accounts – Format II
3. Account Trail Balance Report for CLC 0001
4. Account Trail Balance Report for CLC Power Supply Reserve Fund (Acct 8046)
5. Account Trail Balance report for CLC Operating Fund (Acct 8074)
6. Account Trail balance Report for CLC Energy Efficiency Reserve Fund (Acct 8038)
7. Account Trail Balance Report for CLC Energy Fund (Acct 0027)
8. Balance Sheet and Income Statement from MUNIS for each of the above accounts for each Fiscal Year (or calendar year, if appropriate, for the Energy Fund) beginning with FY2006 and including statements for FY2013 YTD.
9. The account numbers refer to the account numbers provided in the CLC Board packet for the meeting of November 14, 2012 and which presumably are the sub-account numbers by which these accounts are designated within the Barnstable County accounting system.

For the Account Trail Balance reports, please provide all data from the earliest possible point in time for which electronic records for CLC are accessible in the MUNIS system (including any data imported to MUNIS from another source) up to the date of the creation of the reports.

Please provide copies of the Account Trail Balance Reports in both the "Detail" version (showing all individual transactions posted in chronological order) and in "Summary" form.

Please export all reports to both MS Excel and PDF format and provide the reports in both versions in electronic form.

Standard Financial Reports for the Cape & Vineyard Electric Cooperative (CVEC)

1. Chart of Accounts – Format I
2. Chart of Accounts – Format II
3. Account Trail Balance Report for CVEC
4. Account Trail Balance report for any CVEC *subaccounts*, or *segregated funds* received, or managed, by CVEC that are significant to understanding the finances of CVEC, particularly if any of these funds are not recorded in the Account Trail Balance Report for the main CVEC entity.
5. Balance Sheet and Income Statement from MUNIS for each of the above accounts for each Fiscal Year since inception, including statements for FY2013 YTD.

For the Account Trail balance reports, please provide all data from the inception of CVEC through the date of the creation of the reports.

Please forward copies of the Account Trial Balance Reports in both the "Detail" version (showing all individual transactions posted in chronological order) and in "Summary" form.

Please export all reports to both MS Excel and PDF format and provide the reports in both versions in electronic form.

I would appreciate your prompt attention to this important request. If you have any questions please feel free to contact myself or the Assembly Clerk.

Respectfully submitted:



Ronald Bergstrom, Speaker
Assembly of Delegates



BARNSTABLE COUNTY COMMISSIONERS

P.O. BOX 427
BARNSTABLE, MASSACHUSETTS
02630
(508) 375-6648
FAX (508) 362-4136

COUNTY COMMISSIONERS
WILLIAM DOHERTY
Harwich

MARY PAT FLYNN
Falmouth

SHEILA R. LYONS
Wellfleet

January 31, 2013

HOME RULED CHARTERED
IN 1989

Ronald Bergstrom, Speaker
Assembly of Delegates

Re: *January 18, 2013 Request for Financial Documents*

Dear Speaker Bergstrom:

I am in receipt of your request for Cape Light Compact (CLC) financial records dated January 18, 2013. Your request is set forth below in underlined text, and my response is set forth in italicized text. Please note that if a document was not provided it is because the report is not available in MUNIS.

Chart of Accounts – Format I.

The CLC Chart of Accounts for CLC exists and is attached labeled "CLC Chart of Accounts"; however, a Chart of Accounts in "Format I and Format II" does not exist.

Chart of Accounts – Format II.

No such document exists.

Account Trial Balance Report from MUNIS from earliest available date to current date in both Summary and Detailed and Summary form for CLC.

It is not clear which account you are requesting information about. Please specify, as you have done in your request below, what documents you are requesting, and for which account.

Account Trial Balance Report from MUNIS from earliest available date to current date in both Detailed and Summary form for CLC Power Supply Reserve Fund (8046).

A Detailed Trial Balance Report of the CLC Power Supply Reserve Fund contains competitively sensitive information, power supply and Renewable Energy Certificate (REC) contract transactions, which are exempt from public disclosure under MGL c.4,s.7(cl. 26)(g). In

Ronald Bergstrom
January 31, 2013
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order to comply with your request, the Detailed Trial Balance Report was printed and competitively sensitive and other confidential information was redacted prior to sending you the report.

The Summary Trial Balance Report of the CLC Power Supply Reserve Fund is attached labeled "Summary Trial Balance Report of the CLC Power Supply Reserve Fund."

Account Trial Balance Report from MUNIS from earliest available date to current date in both Detailed and Summary form for CLC Operating Fund (8074).

A Detailed Trial Balance Report of the CLC Operating Fund does not contain competitively sensitive information, and is attached labeled "Detailed Trial Balance Report of the CLC Operating Fund."

A Summary Trial Balance Report of the CLC Operating Fund is attached labeled "Summary Trial Balance Report of the CLC Operating Fund."

Account Trial Balance Report from MUNIS from earliest available date to current date in both Detailed and Summary form for CLC Energy Reserve Fund (8038).

A Detailed Trial Balance Report of the CLC Energy Reserve Fund does not contain competitively sensitive information, and is attached labeled "Detailed Trial Balance Report of the CLC Energy Reserve Fund."

The Summary Trial Balance Report of the CLC Energy Reserve Fund is attached labeled "Summary Trial Balance Report of the CLC Energy Reserve Fund."

Account Trial Balance Report from MUNIS from earliest available date to current date in both Detailed and Summary form for CLC Energy Efficiency Fund (0027).

A Detailed Trial Balance Report of the CLC Energy Efficiency Funds contains Cape Cod & Martha's Vineyard electric customer specific data and is exempt from public disclosure under MGL c.4,s.7(cl. 26)(g)(s) and pursuant to a Nondisclosure Agreement in place with NSTAR and other parties. In order to comply with your request, the Detailed Trial Balance Report was printed and competitively sensitive and customer information (names, addresses, rebate amounts) was redacted prior to sending you the report.

The Summary Trial Balance Report of the CLC Energy Efficiency Fund is attached labeled "Summary Trial Balance Report of the CLC Energy Efficiency Fund."

I would also like to request copies of the Balance Sheet report for each of the funds noted in my earlier request report for each fiscal year (including the YTD FY2013).

Ronald Bergstrom
January 31, 2013
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The Balance Sheet report for each of the funds noted above is attached labeled "CLC Balance Sheets."


I would also like to request copies of the Income Statement report for each of the funds noted in my earlier request report for each fiscal year (including the YTD FY2013).

Attached are Statements of Revenues, Expenditures and Changes in Fund Balances for the requested funds.

I would like to note that compiling, reviewing and preparing the attached financial statements required over twenty-six hours of staff time. Printing costs and average labor costs exceed \$1,500.

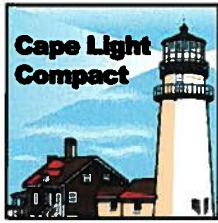
Regarding your request for standard financial reports for the Cape & Vineyard Electric Cooperative, Inc. (CVEC), the CVEC President is the keeper of CVEC records. Your request for financial records has been forwarded to CVEC Board of Directors, attention John Checklick, CVEC President.

Sincerely,



E. Mark Zielinski
County Administrator/Treasurer

cc: County Commissioners
Cape Light Compact Governing Board
CVEC Board of Directors



Website Guide to Location of Cape Light Compact Financial Information

Below are links to where financial information for Cape Light Compact can be found on the Compact's website.

- **Budgets** – Cape Light Compact's Operating Fund and Energy Efficiency Budgets

<http://www.capelightcompact.org/budgets>

- **Financial Reports** – Financial Statement and Audit Reports

<http://www.capelightcompact.org/financialreports>

- **Annual Report** – Every year Cape Light Compact files an Annual Report for Energy Efficiency activities with the MA Department of Public Utilities and MA Department of Energy Resources

<http://www.capelightcompact.org/eeannualreport>

- **Monthly Energy Efficiency Reports** – Every month a report on energy efficiency activities is sent to each respective town. These reports detail electric savings, expenditures and budget

<http://www.capelightcompact.org/energy-efficiency-town-reports>

- **Meeting Minutes** - Operating Fund Budgets (including supplemental budgets) are approved by the Cape Light Compact Governing Board and can be found in the minutes

<http://www.capelightcompact.org/agendas-minutes>

- **Assembly of Delegates** - Documents relating to the Assembly of Delegates Special Committee on Inquiry into Cape Light Compact and Cape & Vineyard Electric Cooperative

<http://www.capelightcompact.org/response-to-assembly-inquiry>