

Cape & Vineyard Electric Cooperative Board of Directors Meeting
Meeting Minutes
August 11, 2008

Members Attending: Charles McLaughlin, Town of Barnstable, E. Mark Zielinski, Barnstable County, Margaret Downey, Cape Light Compact

Joe Soares, Barry Worth, John Cunningham, Jeff Bernstein, and Suzy Hong were present

The twelfth meeting of the Board of Directors of the Cape & Vineyard Electric Cooperative convened at 1:25 pm.

II. Meeting Minutes

- A. *On a motion by Mark Zielinski, seconded by Margaret Downey, the Board voted to approve the meeting minutes from June 6, June 16, and July 17, with Charles McLaughlin abstaining as he was not present for these 3 meetings. On a motion by Charles McLaughlin, seconded by Margaret Downey, the board voted to approve the meeting minutes from May 22.*
- B. M. Downey stated that Lindsay Stranger will be taking minutes in as much detail as possible. C. McLaughlin would like the minutes completed as soon as possible after the meeting.
M. Zielinski asked if Executive Session minutes are to be completed separately and approved separately. M. Downey stated that yes they do need to be completely and approved separately.

VII. Update on Meeting with Washington Electric Cooperative (WEC) on Coop financing

M. Downey and M. Zielinski went to meet with WEC in Vermont on July 11, and said that it was a very successful meeting. They met with Avram Patt, Denise Jacques, Barry Bernstein and Linda Nelson. The CVEC could do their financing through RUS or Coop bank. M. Downey stated that WEC received a 0% loan through RUS for their projects. M. Zielinski stated that he was happy that the process seemed much more simple and not as complex as he originally thought. The funding would be through a government entity and the revenue stream would be generated by the project itself.

M. Downey stated that she has been in contact with Shelly Richardson from RUS, who has said that she would not be able to meet until after October 1. Shelly Richardson also stated that they are training a new Regional Representative and is not sure who will be handling our area. M. Downey asked if CVEC should just go down to meet with them. The next people to meet with, is CFC, RUS, National Rural Electric Cooperative and Congressman Delahunt. J. Bernstein stated that they should meet with everyone sooner rather than later. C. McLaughlin suggests flying Shelly Richardson up here, if it is a matter of budget issues. M. Downey asked if they should book all the meetings in October in DC, or fly her up here in September. M. Zielinski does not want to spend the money if it is not necessary. M. Downey is going to ask Shelly Richardson if she is not able to come up in September due to scheduling or budget issue. If it is a budget issue M. Downey will offer to fly her up here, with M. Zielinski and C. McLaughlin agreeing. M.

Zielinski suggested calling Mark Forest for the October meetings. M. Downey said that they should plan on meeting with Mark Forest either way, and that they will need 2 days in DC for all of the meetings. M. Zielinski suggested that they also meet with Senators Kerry and Kennedy and/or their staff.

I. Rights and Obligations

J. Bernstein assured the Board that they have a right to change the Rights and Obligations in the future if circumstances change. C. McLaughlin is concerned that this remains an explanatory piece and would like a separate vote by the Board to see what can or cannot be changed in the future. M. Zielinski stated that the Rights and Obligations are not part of the bylaws or the filing with the State, and that it is based on a separate board vote. C. McLaughlin wanted to make sure that it is clear that the Board retains the right to change anything in the Rights and Obligations down the road. J. Bernstein stated that they could vote to adopt each as policies and then vote to adopt the entire document. M. Zielinski stated that CVEC will have a contractual obligation with the Towns for the Purchase of REC's, and that it would be more difficult to change prior contracts as there will be independent arrangements made with each town. J. Bernstein made a change to the wording of the 3rd bullet under Obligations, Section C. J. Cunningham asked if this had been given to anyone already, and M. Downey said that it had only been given verbally. J. Cunningham would like to give the Rights & Obligations to Town Administrator Sumner to see if he understands it and not counsel, so that he would be able to explain it to the Board of Selectmen. M. Downey stated that she will bring it to the Town Manager's meeting on Thursday August 14. J. Cunningham stated that there was a contradiction with the 1st and 2nd sentence under Section B under Obligations. There was an addition made to the first sentence. M. Downey raised a few questions: 1. How can members develop projects on their own? Should we set parameters or size? 2. Right of first refusal? M. Zielinski recommended that a threshold be established and if the Town wants a project above the threshold, then they must go through CVEC. J. Bernstein stated that what you give up offsets the benefits that you get through the Co-op. M. Zielinski stated to base it off of Nameplate Capacity as named in the Green Communities Act. *On a motion by M. Zielinski, seconded by M. Downey, the Board voted to table the issue of developing a threshold.*

M. Zielinski would like to establish a policy to have one rate for all projects. M. Downey stated that that was premature, until we have other projects, Brewster will be 100 % net metered. M. Downey's 3rd question was regarding the remaining output to the other Members. Of the annual output, 10% of all hours would go to the Cape Light Compact, and up to 90% to the Town by net meter. C. McLaughlin suggested that this needs to be put on the table to the Cape Light Compact Governing Board. *On a motion by M. Downey, seconded by M. Zielinski, the Board voted to approve the Rights and Obligations as amended.*

III. Open Meeting Law Memo

A copy of the August 6 memo from BCK regarding the Open Meeting Law is to be sent to Fred Fenlon on August 12.

IV. Bylaw Issue

M. Downey made motion to amend Section 12 of CVEC bylaws to add new section named 12.9, seconded by C. McLaughlin.

Discussion- J. Bernstein stated that they have an obligation to report to CVEC if they see a conflict with representing dual sides. They will refuse a dual assignment if they think that it is a conflict. BCK puts the responsibility on the Co-op or the Compact to give every detail of the project, and then counsel will determine if there is a conflict. M. Zielinski stated that the Board will have the option to either waive the concern or choose to retain different counsel. C. McLaughlin stated that the Board does have the authority to waive and that it did not need to be spelled out in the bylaw. M. Downey directed BCK to update the ByLaws to reflect the new amendment and send to all Directors

The Board unanimously approved the addition to the bylaws.

V. PV Project with ConEdison Solutions

M. Downey stated that they approached ConEd to see if they wanted to work together with PV. Originally we were looking to go through the Compact, but at the last meeting thought that it should go through the Co-op. She stated that they would only be looking at large scale projects between 100 and 500 kw. J. Bernstein stated that there will be a Master Lease between ConEd/CVEC and the Town for lease of the roof space. M. Downey had a question about how to deal with buildings such as schools that are part of a district. For example, DY High School can take up to 700 kW, but they would want to contract with the Town of Yarmouth and not the school. J. Bernstein stated that they could state that the contract will be with the town that the project is in, as part of the criteria. M. Downey stated that the Co-op needs a success on their balance sheet. She had some questions/comments regarding the PV project: 1. If you want to participate do you have to join? 2. ConEd wants to have at least the contracts booked by the end of this year. 3. Provincetown has voted to join the Co-op. 4. ConEd has \$5 million to use for 2008 and \$5 million to use in 2009. C. McLaughlin asked if 13.5 cents was a good rate. M. Downey stated that everyone they have talked to said that it was great, and also because there was no escalator. C. McLaughlin asked if we knew what the cost would be for the 5 years that CVEC would need to maintain the panels. M. Downey stated that they will set up a maintenance fund and that the panels usually last around 20 years. M. Zielinski stated that they add to the per kW cost or charge a flat fee, in order to help cover maintenance charges. C. McLaughlin wants due diligence on the manufacturers. M. Downey stated that there are 3 documents that need to be reviewed before being sent to ConEd. C. McLaughlin would like legal counsel to review and then have them send it on to ConEd to start the process. M. Zielinski wants to look at the documents. J. Bernstein stated that a 3 way lease would be necessary between Town for the roof space, ConEd and the Co-op. Also a security agreement would be needed in order to get ConEd to fix the panels if necessary within the first 10 years. He also stated that the concept of a Master Security Deposit would be a good idea. C. McLaughlin would like a letter of credit stating that ConEd will fix the roof. He also asked when would new members be able to utilize these projects? J. Bernstein suggested that they ask the town selectmen to make a commitment to join CVEC. The lease of real estate would require town meeting, but they are checking to see if leasing roof space would need town meeting.

VI. Update on status of MADOR ruling

J. Bernstein said that they are expecting the ruling anytime now. They are not worried about it but it would be nice to have. He suggested that they maybe call Senator O'Leary or Senator Murray and have them call the Governor's office about the status of the ruling that they should have had 8 months ago. He said that it is not stopping us by not having it. M. Zielinski wants to know who to speak with at DOR and he will then call. J. Bernstein stated that he will get that info from Erin.

VIII. Town Projects and Interest in Membership in CVEC

A. Brewster

- M. Downey stated that they could use Brewster Board of Selectmen as a test as to how they take the documents. There is a tentative date of either 10/14 or 10/16 for meeting with the town counsel. J. Cunningham stated that they have looked at several sites, trying to find the best location for wind.

B. Provincetown

- M. Downey stated that the Town voted to sit down with CVEC, and she wanted the Rights and Obligations completed before meeting with them. She asked if the Board would like to schedule a meeting with the in September to start the process.

C. Orleans

- They are interested in developing a wind project through the Co-op, and are hoping to put it on the Fall Town Meeting.

D. Bourne

- M. Downey is going to meeting with them on Wednesday August 13.

E. Falmouth

- Membership in the Co-op is required to participate in projects. C. McLaughlin suggested that they rent a conference room on a Saturday morning to meet with all Town Administrators/Managers and the Energy Committees to do a presentation, to save time from having to meet with individual Towns.

X. Update

M. Downey stated that the ATM contract is signed and executed. J. Bernstein asked when they will be meeting with all town counsels. M. Downey stated that they will meet with town counsels after the meeting is held with Brewster.

XI. Other Business

- NONE

XII. Next Meeting Date

- The next meeting will be on Friday September 12 at 10am.

On a motion by M. Zielinski and seconded by C. McLaughlin, the Board voted to adjourn the meeting at 4:45 pm.