

Cape & Vineyard Electric Cooperative Board of Directors Meeting  
Meeting Minutes  
June 25, 2009

Members Attending: E. Mark Zielinski, Barnstable County, Margaret Downey, Cape Light Compact, Barry Worth, Town of Harwich, John Cunningham, Town of Brewster, Peter Cabana, Town of Tisbury, Charles McLaughlin, Town of Barnstable,

Lindsay Stranger, Joe Soares, and Erin O'Toole were present.

Public Present: Martin McDonald

The twenty-first meeting of the Board of Directors of the Cape & Vineyard Electric Cooperative convened at 9:40 am.

I. Meeting Minutes- 5/21/09

*On a motion by John Cunningham and seconded by Barry Worth, the Board voted to approve the meeting minutes of May 21, 2009 as amended. Approved 5-0-1 with Charles McLaughlin abstaining, as he was not present for the meeting.*

II. New CVEC Members

*On a motion by Mark Zielinski and seconded by Peter Cabana, the Board approved the membership of the Town of Eastham with Martin McDonald as the Director for Eastham. Maggie Downey stated that Mr. Martin brought \$25 cash to pay for the membership fee. Approved 6-0-0*

III. Treasurer's Report

M. Zielinski provided the Board with an income statement through 5/31/09. He stated that the balance was \$179,224.92.

*On a motion by Maggie Downey and seconded by Barry Worth, the Board voted to accept the Treasurer's Report dated 5/31/09. Approved 6-0-1 with Martin McDonald abstaining as he has not been present at previous meetings.*

IV. PV Project

A. M. Downey stated that ConEdison Solutions was the only bidder for the Invitation for Bids. She stated that ConEdison Solutions had been on the Cape yesterday and today looking at the roofs that are slated for the project. J. Soares stated that another bidder was also interested, but that there were concerns about insurance requirements due to the wind thresholds. P. Cabana suggested that in the future they do a 20 year term and not 15 years. J. Bernstein recommended that the Board award the bid to ConEdison Solutions.

*On a motion by Mark Zielinski and seconded by Peter Cabana, the Board voted to accept the PV proposal that was submitted by ConEdison Solutions.*

C. McLaughlin stated that he wanted to consider a more comprehensive approach to the industry to get more bidders, in order to get the best benefit. M. Zielinski asked if this project counted towards the 1% cap, and J. Bernstein said yes. M. Zielinski stated that there is a tight timeframe that they are dealing with. M. Downey stated that there is 14 MW of roof space that is available for PV, and that the economics change dramatically when you get out of the 100 kW window. M. Zielinski stated that it was crucial to have the private investment. J. Bernstein stated that the Board should continue discussions

with financial entities and that the wind projects will be the place to focus on. J. Cunningham stated that they would be lucky to find a company to match or get a better price than what is being offered. He believes that ConEdison Solutions has a broader interest in Cape Cod and the Cape Light Compact, which led to a modest return. C. McLaughlin stated that the Barnstable School Department is concerned about energy costs when they are laying people off. J. Bernstein stated that the Municipal CESA is just for the generation portion of the bill, whereas PV will offset the entire bill due to net metering.

*Motion was approved 4-3, with Peter Cabana, Martin McDonald, and Charles McLaughlin abstaining.*

M. Downey stated that if they continue discussions with additional entities, then CVEC would need to do another Invitation for Bids, sometime this summer. M. Zielinski was concerned that should another Invitation for Bids should go out, the PPA and other documents that were produced for this project need to be incorporated.

M. Downey stated that they would review the participating projects at the end of the meeting, when Ron Collins arrives to give an update on the facilities.

C. C. McLaughlin stated that Bob Patterson is very knowledgeable and is a consultant for the Town of Barnstable, and he has asked him to provide an outline. He stated that he has relationships with financing companies, and that there should be a subcommittee who could meet with Mr. Patterson regarding PV. M. Zielinski, C. McLaughlin and M. Downey offered to be on the subcommittee.

#### V. Review Proposed Resolution Required for CREBS financing

J. Bernstein explained CREBS financing and stated that CREBS are tax exempt bonds where the issuer gets the tax credit. P. Cabana asked how much money was available in CREBS and M. Zielinski stated that in this round there is \$1.6 billion available. J. Bernstein stated that the next CREBS deadline is 8/4/09 and that Cooperatives are favored. He stated that they would have to file a separate application for Brewster and Harwich, titled CVEC-Harwich and CVEC-Brewster) for CREBS. J. Bernstein stated that CREBS goes for smaller projects first. C. McLaughlin stated that he wanted to know what the financing picture is and what the other options are. He would like that information for the next meeting. M. Downey stated that she reviewed that information at the last meeting, but will review it again.

*On a motion by Maggie Downey and seconded by Peter Cabana, the Board voted to amend the resolution for CREBS financing for the Town of Brewster, by increasing the amount of funds to be borrowed from \$8.6 million to \$10 million. Unanimously approved.*

*On a motion by Maggie Downey and seconded by Peter Cabana, the Board voted to amend the resolution for CREBS financing for the Town of Harwich, by increasing the amount of funds to be borrowed from \$9 million to \$10 million. Unanimously approved.*

#### X. Town of Brewster Wind Project

A. M. Zielinski reviewed the pro forma presentation dated 6/25/09, M Zielinski noted that it is not a favorable market right now for issuing bonds. J. Cunningham asked why the towns couldn't do tax equity investment, and J. Bernstein stated that they could only do it if the project was the obligation of the Town. M. Zielinski went through the numbers for CREBS financing for Brewster. M. Downey stated that it may be worth having a meeting with George Baker, who is currently working with the Fox Island project, to pick his brain. He has offered to help at no charge. M. Zielinski stated that the CREBS and Tax models are the two to explore, as they provide the most savings.

B. M. Downey stated that there is a time crunch on CREBS money and that they are having a meeting today with Brewster, and will be asking them if they will sign the commitment letter, which would enable CVEC to develop the project. She stated that they need to know by July 1, in order to make the August 4<sup>th</sup> deadline.

B. Worth left the meeting at 12:00 pm.

VI. BCK Summary Memo on Contract Issues Facing CVEC

J. Bernstein reviewed the memo from BCK dated 6/25/09 regarding contract issues.

VII. BCK Discuss Including “Contract Term” language for all new members

J. Bernstein reviewed the memo from BCK dated 6/25/09 regarding “Contract Term” language for all new members.

VIII. BCK Summary of Potential Impacts of Net Metering Tariff

J. Bernstein reviewed the memo from BCK dated 6/25/09 regarding the potential impacts of the Net Metering Tariff.

IX. BCK Tax Equity Research Overview and associated budget

J. Bernstein reviewed the memo from BCK dated 6/25/09 regarding Tax Equity and associated budget.

IV. PV Project

B. Ron Collins, John Labiak from ConEdison Solutions and Peter Blom gave an update on the sites that have been slated for the PV project on the Cape. They stated that the criteria were enough square footage on the roof, and for the roof to be unobstructed. R. Collins stated that the cell tower next to First District Court House may affect a portion of the panels, there were too many penetrations on the roof of the Registry of Deeds, Bourne Middle School is not a true south facing building, but that it did have enough roof space, and the Bourne High School is not desirable. J. Labiak stated that the bids are due on 7/10/09 and that they will turn the project over to the contractor within 1 week, then will give a letter of intent and then work on the contract. M. Downey stated that there will be several decisions that will need to be made regarding installing PV on which locations. R. Collins stated that they have a good selection of contractors. J. Labiak stated that the absolute end date for the project is 12/31/09. He stated that the process for MTC starts on 8/1/09, which can take about 4-8 weeks and then the projects must be completed by 12/31/09.

*On a motion by Mark Zielinski and seconded by Peter Cabana, the Board voted to adjourn the meeting at 1:30 pm.*