

Cape & Vineyard Electric Cooperative Meeting of the Board of Directors
Meeting Minutes
October 15, 2009

Members Attending: E. Mark Zielinski, Martin McDonald, Maggie Downey, Charlie McLaughlin, Barry Worth, John Jannell

Lindsay Stranger, Joe Soares, and Jeff Bernstein were present.

Public Present: David Gardner (Assistant Town Manager- Provincetown)

The twenty-fifth meeting of the Board of Directors of the Cape & Vineyard Electric Cooperative convened at 9:45 am.

C. McLaughlin stated that the meeting will be convened as the Executive Board, due to absence of members. There are 4 out of 5 Executive Committee members present.

J. Bernstein spoke regarding the Annual Members Meeting. He suggested that the Board write a letter to the towns, asking if they would like to waive the option to have an annual members meeting, or to reiterate that the town has directors that represent their town at the annual meeting. J. Bernstein is to draft a letter to the towns.

C. McLaughlin stated that the Town of Barnstable conference rooms are equipped with technology to have people watch on TV.

The Board held a discussion on the Chapter 28 changes and the Ethics Commission. J. Bernstein is to update the Cape Light Compact Ethics memo and bring to the next CVEC Board meeting.

I. Meeting Minutes- 9/24/09

On a motion by Mark Zielinski and seconded by Charles McLaughlin, the Board voted to approve the meeting minutes of September 24, 2009, as amended. Approved 4-0-0.

II. New CVEC Members

On a motion by Charles McLaughlin and seconded by Mark Zielinski, the Board approved the membership application for the Town of Provincetown, with David Gardner as the Director for Provincetown. Approved 4-0-0

IV. Brewster Wind Project

- A. M. Downey stated that they had a public hearing on Monday 10/5 during the Board of Selectmen's meeting, and that it went well. The Board of Selectmen reaffirmed the vote to support the Town Meeting warrant articles for 10/19. The articles include authorizing the Board of Selectmen to sign a Power Purchase Agreement, and an article 97 approval for the Barrows Property for a third turbine. J. Jannell asked about the minority position. J. Soares stated that someone had suggested to build two turbines through CVEC and to explore all of their options for the third turbine.
- B. M. Downey stated that Nauset Schools have been trying to develop a wind turbine at Nauset High School, but there are issues with the Eastham by-law. Brewster

has said that they could host the turbine, and the Town of Brewster has asked if CVEC could help with the two turbines. M. Zielinski told Charlie Sumner that he needs to make sure that it fits into the budget. M. Downey stated that Nauset Middle and High School's electric load is 1.8 million kWh annually. C. McLaughlin stated that he is not opposed to allocating 100% of the load to the schools. J. Jannell stated that the Board should explore this further and bring the outcome back to the Board. He said that this would really only affect the member towns that are not part of the school district. M. Downey mentioned that she would support allocating up to 50% of the output to the schools, and that the other member towns would not benefit if 100% of the load was given to the schools. She also stated that Brewster's enrollment is 50% of the Nauset School District. *On a motion by Maggie Downey and seconded by Charles McLaughlin, the Board authorized Mark Zielinski and Maggie Downey to discuss allocating up to 900 kWh through a Power Purchase Agreement, to Nauset School District with the Brewster Wind Project. Approved 4-0-0.*

- C. M. Downey stated that the wind applications have been released. She spoke with MTC and they will clarify the Request for Proposals. She mentioned that the amount is not \$600k per turbine, but \$570k per *project*. M. Downey stated that applications are due 11/17, and that the CVEC's consultants are working on the applications.. She stated that they will be applying for funds for design and construction. No other towns have approached CVEC to have CVEC develop a project, so the only applications at this time will be for Brewster and Harwich.

V. Harwich Wind Project

M. Downey stated that there is a public hearing on 10/26 and their Town Meeting on 11/12. Weston and Sampson have sited the two turbines, and will be locating two turbines on 90 acres. She asked if a turbine's fall zone could be within a zone 1. J. Bernstein spoke with Ken Kimmel about a fall zone within watershed area and that Ken is looking for the facts regarding Harwich's situation. C. McLaughlin would like to follow up with Harwich's situation to the Executive Office. J. Bernstein will draft a letter to Ian Bowles, and will copy Ken Kimmel. M. Downey stated that they are looking for an Executive Order for a turbine that is constructed outside of zone 1, and that may have a fall zone that may be within zone 1. She will follow up with Barry Worth and Jim Merriam to see if a letter has already been done.

VI. Executive Session

On a motion by Charles McLaughlin and seconded by Barry Worth, the Board voted by roll call to go into Executive Session at 11:15 to discuss the sale or value of real property and to return to open session, and allow Joe Soares, Jeff Bernstein, Lindsay Stranger, David Gardner, John Jannell, and Martin McDonald to be present. Zielinski-yes, McLaughlin- yes, Downey- yes, Worth- yes

On a motion by Mark Zielinski and seconded by Charles McLaughlin, Board voted by roll call to return to open session at 11:24 pm. Zielinski-yes, McLaughlin- yes, Downey-yes, Worth- yes

VII. Communication from Legal

- A. J. Bernstein said that the Attorney General and Inspector General say that there are two options for projects over \$5 million. They can do a single contract to design and build (Design, Build Statute), where they must get a sign off by the Inspector General, and the permitting would go to the contractor. He stated that with Chapter 149 A, we would have to show that we have the in house capability to critique it. J. Bernstein believes that the design build will be easier and less expensive. RUS requires that we have an independent engineer. M. Zielinski stated that he wants the EPC vendor to handle the engineering, construction, permitting etc, and then have someone who works for CVEC to oversee the project. C. McLaughlin stated that the Town of Barnstable has a big enough engineering department and could do an inter-municipal agreement and use their resources. J. Jannell asked why CVEC board was exploring the process of EPC. J. Bernstein stated that the EPC is the way to go for the cost and speed.

On a motion by Charles McLaughlin and seconded by Barry Worth, the Board voted to proceed with the Chapter 149A approach and receive legal counsel's advice for how CVEC should proceed for in-house capability to oversee the engineering, permitting and construction of the wind turbines. Vote approved 4-0-0. J. Bernstein will put out a request to other cooperatives for documents.

- B. J. Bernstein stated that the RUS application is a 31 part form and that a lot of it has already been done for the CREBS application. RUS is ready to entertain the application. They have loan guarantees available and both the Harwich and Brewster projects are eligible to apply. M. Downey asked what the timeline was to submit the application. J. Bernstein stated that it could take about a month, as his office is short staffed until January 1.

On a motion by Charles McLaughlin and seconded by Mark Zielinski, the Board voted to authorize legal counsel to pursue and complete the application for RUS. Vote approved 4-0-0

- C. M. Downey asked the Board if CLC should pay part of the costs of pursuing Tax Equity, as they will be benefiting from it, because they will not be net metered. J. Bernstein stated that they could approach a tax equity investor to see if a Letter of Intent would suffice, to state that CVEC would participate.

VIII. PV Project

M. Downey stated that once the Power Purchase Agreement is signed by the town, then it is a public document and that they are still reviewing all attachments.

IX. MOU

M. Downey stated that Alan Giles is building a biomass facility off Cape and needs a Power Purchase Agreement for his financing. He has sent an MOU to C. McLaughlin and M. Downey. She asked if the Board was interested in pursuing this. C. McLaughlin is concerned with spending funds on legal time, for something that may not happen. J. Jannell stated that he is also concerned with spending time and money on this. J. Soares said that he is concerned that the wholesale price is too high, and that the retail price, could be significantly higher than the NSTAR basic service price. He stated that they need to have a conversation with the retail supplier, and that he has told Alan to bid into the RFP for Renewable Energy.

On a motion by Maggie Downey and seconded by Mark Zielinski, the Board voted to communicate with Alan Giles that CVEC is not interested in pursuing a contract for his project. Vote approved 4-0-0.

X. Ocean Management Plan

M. Downey stated that she is still working on drafting the comments.

XI. Travel Policy

M. Zielinski reviewed the travel policy that he had created. J. Soares suggested changing the meals tax from 5 to 6.25%. M. Zielinski suggested changing the mileage to the IRS mileage rate for businesses and to include ferry charges as being reimbursable.

On a motion by Maggie Downey and seconded by Mark Zielinski, the Board voted to adopt the travel policy with the changes discussed. Vote approved 4-0-0.

XII. Air Force on Wind Turbines at MMR

M. Downey stated that she met with them in July and then showed them properties with Class 3 or greater wind. They are interested in developing their turbines through CVEC. They will be coming up in a few weeks to view the site and will want to meet with the CVEC Directors.

XIII. Electric Account Verification

M. Downey will forward the accounts to Provincetown and she needs the directors to verify the accounts in order to properly allocate.

XIV. Yarmouth Public Hearing

M. Downey asked who would be able to attend the public hearings in Yarmouth. B. Worth stated that he can attend the meeting on December 1. M. Zielinski said that he could attend the meeting on December 1, as well. M. Downey will attend the meeting on October 27, and maybe C. McLaughlin as well.

XV. Meeting request

M. Downey stated that Community Wind Power is looking to do a tax equity partnership with CVEC. M. McDonald suggested that they make up a template of what is needed in order for CVEC to be able to do a project. M. Downey said she will respond back that they can meet with a committee on 11/19 at 9 am and then will distribute materials to the Board.

XVI. Other Business

M. Downey asked the Board to review the Project Manager Job description and give her any comments. She will put on the agenda for the next meeting.

M. Downey stated that WBNER is doing a webinar on January 11 on cooperatives and is looking for someone to speak for 15 minutes. She will put this on the next meeting agenda.

M. Downey stated that she received a response from Carter Wall from MTC.

On a motion by Maggie Downey and seconded by Charles McLaughlin, the Board voted to adjourn the meeting at 1:40 pm.