

Cape & Vineyard Electric Cooperative Meeting of the Board of Directors
Meeting Minutes
June 17, 2010

Members Attending: E. Mark Zielinski, Martin McDonald, Maggie Downey, John Cunningham, Kitt Johnson, Paul O'Keefe, Barry Worth, John Jannell, Steve Gavin, Heather Harper, Peter Cabana, Peter Hefler

Ron Collins, Lindsay Stranger and Jeff Bernstein were present.

The thirty-third meeting of the Board of Directors of the Cape & Vineyard Electric Cooperative convened at 10:35 am.

M. Downey opened the meeting and then left to attend another meeting.

I. Meeting Minutes- 4/29/10

On a motion by Peter Cabana and seconded by Barry Worth, the Board voted to approve the meeting minutes of 4/29/10, as amended. Unanimously approved.

On a motion by Martin McDonald and seconded by Peter Cabana, the Board voted to approve the Executive Session minutes of 4/29/10. Unanimously approved

II. Meeting Minutes – 5/20/10

On a motion by Barry Worth and seconded by Peter Cabana, the Board voted to approve the meeting minutes of 5/20/10. Unanimously approved.

On a motion by Barry Worth and seconded by Peter Cabana, the Board voted to approve the Executive Session minutes of 5/20/10. Unanimously approved.

III. Treasurer's Report

No report to present.

IV. FY11 Budget Discussion

This item was tabled until the July 15 meeting.

VI. Brewster Wind Project

A. R. Collins stated that they looked at 6 different combinations for the wind turbine siting in Brewster. There is over 2000 feet of separation from any homes, which is as far as they can go. In fact, there is at least 3000 feet from any homes. The next step is to take the project to the Planning Board. R. Collins asked H. Harper about the specifics on the Falmouth wind turbine. H. Harper explained the demographics and the sound with their turbines. She gave an update on the issues that they are encountering in Falmouth.

K. Johnson arrived at 10:50 am.

B. J. Bernstein stated that they need to give M. Zielinski authorization to change the application that has already been filed with the Inspector General's (IG) Office for Design Build. The IG's office will review the Design Build Plans and Procedures once CVEC approves.

On a motion by Heather Harper and seconded by Barry Worth, the Board voted to proceed with submitting the 6/16/10 draft of the Design Build Plans and Procedures to the Inspector General for review. Approved 9-0-0.

On a motion by Kitt Johnson and seconded by Peter Cabana, the Board voted to authorize Mark Zielinski as Chief Procurement Officer for the Brewster Wind Project, to make changes to the OIG application and the Design-Build Plans as appropriate to strengthen and support CVEC's application for Notice to Proceed with the Design Build method. Approved 9-0-0.

C. J. Bernstein stated that RUS has two cycles in which they will issue loan commitments. They should have construction financing approval by early fall from CFC. He stated that CVEC could issue the Design Build RFP by mid-fall. He stated that the long-term financing may not be approved by RUS until early 2011.

D. J. Bernstein stated that the Cape Cod Commission has proposed to make any land-based turbine over 250 kW subject to a DRI review.

M. Zielinski, M. Downey and J. Cunningham returned to the meeting at 11:10 am.

M. Downey gave an update on the meeting they just had with the Cape Cod Commission regarding DRI. The CVEC Board held a discussion on this proposed DRI requirement.

M. Downey stated that the noise study for Brewster is almost complete. They are working on drafting a Special Permit application for the project.

E. The Board reviewed the budget for Weston and Sampson and would like a contract amendment with a change in budget due to the deletion of the Harwich project.

On a motion by Peter Cabana and seconded by Paul O'Keefe, the Board voted to prepare a letter to Weston and Sampson, reducing their contract budget amount from \$417,000 to \$313,060, which includes a \$50,000 contingency amount that can only be changed with authorization by both parties. This reduction is due to the deletion of the Harwich project. Approved 11-0-1, with B. Worth abstaining.

V. Discussion on Allocation Formula

J. Cunningham stated that discussions/negotiations are still ongoing with Brewster regarding the Allocation Formula. M. Downey stated that the financial pro-forma is really conservative. M. Zielinski stated that he is starting to lean towards Option C for the allocation. J. Cunningham mentioned that C. Sumner feels that Option B is consistent with what has been presented to the Town. M. Downey stated that the 2nd Interconnection Application is ready to be submitted to NSTAR with Schedule Z, and NSTAR has 30 days to respond to Schedule Z. M. Zielinski asked that Board to endorse Option B to bring back to Brewster for consideration, relative to a cash-out approach. M. McDonald prefers Option C.

On a motion by Heather Harper and seconded by Peter Cabana, the Board authorized Mark Zielinski and Maggie Downey to bring Option B of the Allocation Formula to Brewster for consideration.

M. Downey stated that the Town will still need to budget their electricity as if there were no wind turbine. The allocation will be in cash, and will not be applied to other electric accounts.

Approved 11-1-0, with M. McDonald opposed.

H. Harper left at 12:25 pm.

VIII. Upper Cape Tech

M. Downey stated that Upper Cape Tech went out for an RFP for development. They are interested in moving forward with CVEC and want CVEC to make a presentation to the whole school board on 7/6 or 7/7. She stated that approximately 50% of the output from the turbines would be available for CVEC members. This project is only for one turbine, not two as originally thought.

IX. CVEC Website

M. Downey stated that the CVEC website has been redesigned and is now live. She had a discussion with B. Worth about removing references to the Harwich project from the website, and just put a note on the page that Harwich voters voted not to proceed with the project. The Board agreed.

X. CES PV Project

A. R. Collins stated that 7 out of 8 projects are done. The 8th project is the Dennis DPW building, and there are some issues with the roof. They are now looking at ground mounted PV around the parking area. There is a noise issue that they are addressing at the Eastham DPW with the inverter. P. O'Keefe asked R. Collins to look into the data at the Bourne Middle School, as it doesn't add up.

B. M. Downey stated that C. McLaughlin wants a Letter of Credit to be reviewed by Counsel and then voted on by the Board at this meeting. The Letter of Credit is with TD Bank. The Board voted in February 2009 to sign a \$100,000 Letter of Credit with ConEdison Solutions for the PV project.

On a motion by Paul O'Keefe and seconded by Peter Hefler, the Board voted to authorize the President of CVEC to execute the application for standby Letter of Credit with TD Bank. Approved 10-0-0.

C. M. Downey stated that they have made progress with NSTAR for the calculations on the Eastham DPW electric bill, but they still have a lot of questions on how it was calculated.

XIII. Next Meeting Date

July 15, 2010

XI. Executive Session

On a motion by Peter Hefler and seconded by Mark Zielinski, the Board voted to go into Executive Session at 1:32 pm for the purpose of discussing contract negotiations, not to return to open session, and to allow Ron Collins, Jeff Bernstein and Lindsay Stranger to be present.