

Cape & Vineyard Electric Cooperative Meeting of the Board of Directors

Meeting Minutes September 16, 2010

The Annual Meeting of the Cape & Vineyard Electric Cooperative Members and the Annual Meeting of the Board of Directors of the Cape & Vineyard Electric Cooperative was held on Thursday, September 16, 2010 at 9:43 am in Conference Room 11 & 12, Barnstable County Superior Court Building, 3195 Main Street, Barnstable MA 02630

Present were Members: Mark Zielinski, Barnstable County Administrator; Maggie Downey, Clerk; Martin McDonald, Eastham; John Cunningham, Brewster; Kitt Johnson, Edgartown; Paul O'Keefe, Bourne; John Scott, Chatham; John Jannell, Orleans; Steve Gavin, Yarmouth and Ron Collins, Project Manager.

Absent were: George "Bud" Dunham, Sandwich; David Gardner, Provincetown; Heather Harper, Falmouth; Peter Hefler, Dukes County; Charles McLaughlin, President, Barnstable; Michael Richardson, Mashpee; Richard White, Dennis; Barry Worth, Harwich; Peter Cabana, Tisbury.

Karen Loura, Recording Clerk; Joseph Soares, Senior Power Supply Planner, Cape Light Compact; Jeff Bernstein, Esq. and Audrey Eidelman of BCK Law were also present.

Public Present: David Anthony and Richard Elrick.

M. Downey stated that the meeting notice was sent to all Towns and their Town Clerks. She noted that no Town Members, other than the Directors, were present at this Annual Meeting of the Members.

1. Election of Officers

President

M. Downey read an email response from Charles McLaughlin, President indicating his willingness to serve an additional term as President. She then called for nominations. K. Johnson nominated Charles McLaughlin for the position of President, seconded by J. Cunningham. Hearing no other nominations, the Directors voted unanimously in favor to appoint Charles McLaughlin to the office of President for a one year term.

Treasurer:

K. Johnson nominated Mark Zielinski to serve as Treasurer, seconded by M. McDonald. Hearing no other nominations the Directors voted unanimously in favor to appoint Mark Zielinski to the office of Treasurer for a one year term.

Clerk:

M. Zielinski moved to nominate Margaret Downey to serve as Clerk, seconded by K. Johnson. Hearing no other nominations the Directors voted unanimously in favor to appoint Margaret Downey to the Office of Clerk for a one year term.

Two At Large Positions:

M. Downey explained that currently these positions are filled by John Cunningham and Barry Worth. K. Johnson commented that the previous team has worked well over the passed few years and because of that it would be good to keep it going. However, he would not like to see a precedent set where incumbents are repeatedly appointed and their serves drags on and on. In that context he nominated Barry Worth and John Cunningham to continue to serve in their current capacities, seconded by M. Zielinski. Cunningham agreed with K. Johnson and stated he is willing to serve for another year. M. Downey explained the role of At Large Position as described in the Bylaws. Atty. Bernstein added further explanation and history stating it provides a way of governing if members cannot be present for an emergency meeting.

M. Downey made copies of the Bylaws available to anyone and added they are also available on-line at the www.cvec.org

It was noted that B. Worth has not resigned and if unwilling to serve, he could raise the issue and since he is likely willing to serve another year, the Directors then voted unanimously in favor to appoint both John Cunningham and Barry Worth to At Large Positions for one-year terms each.

2. Meeting Minutes of August 19, 2010

The Directors considered the Meeting Minutes of August 19, 2010 Regular Session and the August 19, 2010 Executive Session. A technical correction was made to the Executive Session minutes to change "...just under 5 MW a year." to "...just under 5 MW *hours* a year. K. Johnson moved to accept the Meeting Minutes of August 19, 2010 as amended, seconded by M. Zielinski and voted unanimously in favor by those present.

The Directors then agreed to take up Item #4 Treasurer's Report and then enter into Executive Session to discuss negotiations.

3. Treasurer's Report

M. Zielinski provided copies of the updated Cape & Vineyard Electric Cooperative, Inc. Income Statement dated 9/16/10, attached and incorporated herein. He indicated there was some confusion with ConEdison inadvertently double billing for new sites and some remaining from old sites but he believes this has been corrected. He said the Towns are

paying in good fashion. The wind turbine project is picking up and PV project will also kick in to revenues. He said he would provide the Directors with an updated Income Statement at least quarterly.

S. Gavin moved to accept the Treasurers' Report as presented, seconded by K. Johnson and voted unanimously in favor by those present.

4. Executive Session: Power Supply Offer

At 10: 02 a.m. M. Zielinski moved to enter into Executive Session according to the Attached Executive Session outline, seconded by J. Cunningham the Directors voted by Roll Call to enter into Executive Session and to return to Regular Session upon adjournment.

At 12:25 p.m. the Cooperative returned to Regular Session by Roll call Vote unanimously.

At 12:25 the Directors broke for lunch.

At 1:00 pm the Directors re-convened in Regular Session.

5. Brewster Wind Project Update

M. Downey updated the Directors on the Brewster Wind Project at the Freeman's Way Industrial Park and the related September 13, 2010 Board of Selectmen Public Hearing. She indicated there were 5 Brewster Residents present with questions, all of who spoke were in support of the project. There was a resident of Wellfleet who was questioning the location of the turbines w/in 1.2 miles of residences but was not at liberty to continue due to the time limit on public comment. There were residents of Harwich, Mashpee and Falmouth who expressed general opposition due to their concerns over health effects of turbines. The 5 Brewster Selectmen each spoke in favor of the project. The Brewster Hearing ended by 8:00 pm. The request for Letters of Interest (LOI) was released on September, 7, 2010. The LOI receipt deadline is September 23, 2010 @ 1:00 pm. M. Downey reported receipt of one (1) LOI to date. The Request for Qualifications (RFQ) will be issued on September 24, 2010 to entities who respond to the request for LOI's. An informational meeting and site visit are scheduled for October 5th. The RFQ process will be used to identify qualified Design Build Entities (DBE) and the Qualifications Package is due back on October 20, 2010. The Request for Proposals (RFP) will be issued on November 4, 2010. Proposals are due back by December 21st. Contract award: Spring of 2011 and completion: Fall of 2012.

M. Downey reported meeting with the Town of Brewster on the various documents. Two amendments to the PPA and Host Community Agreement were requested: 1) establish that the effective date of lease term will be date of signature to minimize accrual of interest.. M. Zielinski said RUS is only an issue where the terms of the lease document and the financial agreement do not match. He said it is sensible. There was agreement in concept and M. Zielinski reported the textual language for this amendment is pending.

The second issue involved the Town's request to provide for a period of 2 years for decommissioning of the project. They want annual lease payments if they are there for 2 years to decommission.

The terms include a limit of 20 years on the lease agreement. After 20 years, then it converts to a tenant @ will, month to month arrangement. The total amount for two years is \$200,000 (\$100,000/yr). If month to month the payments are \$100,000/12.

M. Downey stated that Brewster has asked for an increase in output from the turbine of approximately 857,000 kWh. M. Downey and M. Zielinski agreed and prefer Nauset sign a PPA for that amount. Their argument is that Barnstable, for example, would include their schools in their load.

J. Cunningham said the tri-town plus a percentage of the Technical High School small amount was rolled in as a block. There was discussion concerning the best approach. M. Zielinski explained that it is a finance issue and that the PPA would have to take 3.5 million kWh which would have to be pledged and bought. Atty. J. Bernstein further explained that since it is a project without guarantees, lenders will want to know the absolute obligation and every kWh has to be paid for at the net mtg price.

P. O'Keefe moved to accept amendments to the proposed agreement between the PPA & CVEC, seconded by M. Zielinski. Discussion followed. S. Gavin sought confirmation that this was not a policy decision that would apply in all cases. M. Downey said – No, adding that it is limited here to accepting negotiated changes. P. O'Keefe asked if there is a listing of those queed up over time example: Bourne's financial percent of that project. M. Downey said yes. With no further discussion, the Directors then voted unanimously in favor of Brewster's proposed amendments to the Intergovernmental Cooperative/Host Member Net Metered Power Sales Agreement and the Intergovernmental Host Community Agreement Between Cooperative and the Town of Brewster.

Mass. Historic Commission Letter

M. Downey then provided an update re: RUS Assessment for Brewster Project and read an excerpt of Brona Simon, State Historic Preservation Officer and Executive Director, Mass. Historical Commission to Mark Plank, Director, Engineering & Environmental Staff, Water and Environmental Programs concerning their request for a visual effects study as part of the approval process. The cost of the analysis is \$15,000. Hank confirmed the work could be accomplished within the existing budget. Discussion concerning warranty and production guarantee followed. M. Downey said we have proposed language and security language.

CES/PV Projects

Dennis DPW Project: There is a question concerning the ability of the roof to support the system and there are conflicting reports. ConEdison is not willing to do the Project due to

engineering reports they have received regarding the structural integrity of the roof. There was an offer to install a ground system; CVEC is currently trying to re-negotiate for that but it does not look likely they DPW will consent to a ground system. There are a couple of issues with the site and State permission would be needed change to a ground system otherwise Dennis could not transfer the subsidy. M. Zielinski and M. Downey were asked to attempt to meet with representatives from the Town of Dennis. M. Zielinski said he has put 2 phone calls in and received a response via e-mail and agreed to continue to pursue contact.

Brewster Roof Leak

Brewster School Update: Alteris fixed a roof leak and so far no further issues.

Eastham Elementary School – there is a particular corner of the roof in the Art Room where the structural integrity of the roof is lacking adequate support. The Principal is aware. Alteris erred, and it was missed initially. It is unclear how. ConEd discovered the problem. Ron called and said it is an issue but not crucial but don't wait for 2' of snow. We will wait for Alteris to propose a solution. Ron said it is an unusual area, and it will be complicated to re-enforce.

OTHER BUSINESS

Bourne Landfill – facility is not available for 2 years. 17 acres available. Trying to use methane gas. Looking at selling the gas to the grid. We want to ensure that as they go through evaluations to consider CVEC as property developer. M. Downey asked if CVEC is interested in the development 2-4 MW co-generating plant. Atty. Bernstein said there has to be a huge amount of trash to get 2-4 MW. O'Keefe asked if CVEC is interested. M. Downey asked if the project would be owned and operated by CVEC. O'Keefe felt it probably would. M. Downey said CVEC would need to see the feasibility study; we are interested and would like more information. There was general consensus that CVEC would be interested.

There was then discussion on the Upper Cape Wind Turbine Project. M. Downey said there is no update since presenting the LOI to the School. The School Board took the matter under advisement.

Mass. National Cemetery, Bourne 50-Kilowatt Wind Turbine S. Gavin said the 1st renewable wind turbine at a VA cemetery was completed today with the final electrical connections being made. The Department of Veterans Affairs (VA) awarded a \$553,823 construction contract to a service-disabled Veteran-owned small business. There was discussion of a dedication ceremony for the "Endurance 50KW" Turbine with Dave Columbo and the Undersecretary from Washington DC. This is 120' high, projected to produce up to 97% of the Cemetery's annual electricity usage and is located on Federal owned property within the Town of Bourne.

Dukes County, Russell Smith – sent landfill info. Tisbury: 10 acre capped landfill.

With no further business the Directors unanimously voted to adjourn @ 2:10 pm.

Respectfully submitted,

Karen E. Loura
Administrative Assistant, Pro tem