

Cape & Vineyard Electric Cooperative Board of Directors Meeting
Meeting Minutes
March 27, 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, Joe Soares, Lindsay Stranger, Jeff Bernstein were present.

Public Present: Laura Gregorio-Tanguilig

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

I. Acceptance of New CVEC Members

A. On a motion by Maggie Downey and seconded by E. Mark Zielinski, the Board voted to accept the membership application of the Town of Dennis. Approved 4-0-0

M. Downey stated that Richard White will be the Director from Dennis, as appointed by the Town.

B. On a motion by Maggie Downey and seconded by John Cunningham, the Board voted to accept the membership application of the Town of Tisbury. Approved 4-0-0

M. Downey stated that Peter Cabana will be the Director from Tisbury, as appointed by the Town.

C. M. Downey gave an update on the other Towns and their warrant articles that will be brought before Town Meeting.

III. Approval of Minutes

On a motion by E. Mark Zielinski and seconded by Barry Worth, the Board voted to approve the open session and executive session meeting minutes from February 13, 2009. Approved 4-0-1, with Peter Cabana abstaining as he was not a CVEC member yet, at the February 13th meeting.

IV. Treasurer's Report

M. Zielinski gave the Treasurer's Report as of 3/25/09. He stated that they were having a hard time securing a letter of credit, and that the County has agreed to back the letter of credit. M. Zielinski stated that CVEC has paid dues to NRECA and PURMA, and that the insurance covers non-owned automobiles.

On a motion by John Cunningham and seconded by Barry Worth, the Board voted to approve the Treasurer's Report as presented. Unanimously approved 5-0-0.

V. Vote: Adopt the Administrative Services Agreement between the CVEC and Barnstable County

M. Zielinski questioned the section on page 4, section 5, #2, which refers to the County doing contracts for CVEC. J. Bernstein stated that maybe that would apply in hiring an employee, and also when the County enters into a letter of credit for CVEC. The wording in that section was changed from shall to may.

On a motion by Mark Zielinski and seconded by Barry Worth, the Board voted to adopt the Administrative Services Agreement between CVEC and Barnstable County, as amended. Unanimously approved.

M. Downey and J. Bernstein stated that as documents are approved, they should be put on the Cooperative website.

VI. Vote: Terminate the Existing Member Service Agreement between CVEC and County

On a motion by Mark Zielinski seconded by M. Downey, the Board voted to terminate the existing Member Service Agreement between CVEC and Barnstable County. Approved 4-0-1, with Peter Cabana abstaining.

II. Presentation by Blue Rock Energy Group – Development Proposal

J. Soares stated that Tom Gebhard from Blue Rock Energy Group has development experience in wind, and asked him to come and give an overview on how to develop wind projects. T. Gebhard stated that he has had a relationship with M. Downey and J. Soares since the beginning of power supply with ConEdison Solutions. He stated that he builds power plants, biomass projects, and wind and hydroelectric projects. There are not many wind projects in New England. He developed Kibby Mountain, which will have 44 turbines, and the construction will take approximately 24 months. T. Gebhard stated that O and G Industries is the largest power contractor in New England. J. Bernstein stated that CVEC cannot joint-own a project, either CVEC owns project or the developer owns the project and CVEC leases from the developer. T. Gebhard stated that the hardest part is determining the right finance structure for the tax payers.

M. Downey stated that she and M. Zielinski had breakfast with Carter Wall regarding a loan for wind, and M. Zielinski stated that she seemed amenable to their suggestions.

VII. Update on CES/CVEC PV Project

M. Downey stated that she received a call from Jorge Lopez. He stated that the Consolidated Edison board met on Wednesday afternoon, and that they have no issues with the documents. Money needs to be transferred from Consolidated Edison and ConEdison Solutions, but their main concern is not losing any tax credits during the transfers.

C. McLaughlin arrived at 11:20 am.

M. Downey stated that DOER is interpreting a section of the MGL incorrectly. J. Bernstein stated that there is a 30B exemption for energy contracts.

On a motion by Charles McLaughlin and seconded by Mark Zielinski, the Board voted to authorize the appropriate officer to execute the PV documents in substantially the form, as presented.

J. Bernstein stated that the Towns sign the General Terms and Conditions contracts. *Motion was approved 5-0-1, with Peter Cabana abstaining.*

X. Discussion on Bylaws Relative to the Executive Committee Make-up

M. Downey stated that the Cape Light Compact Governing Board voted for CVEC to review the bylaws and to change the Executive Committee makeup. C. McLaughlin stated that the Town of Barnstable was a permanent member to protect the Town's credit and did not want to be held responsible if a project failed. He reminded the Board that a lot of time was spent on this issue at the beginning of CVEC. M. Zielinski stated that they have not been able to exercise this structure, so they don't know if it does or doesn't work. He stated that in the future, that they could maybe have a sub-committee to review the bylaw, but not now. B. Worth stated that there is some reluctance of some towns to join, due to the structure, but that he agrees with M. Zielinski. C. McLaughlin stated that it is premature to look at reconstructing the executive committee now, but is willing to address concerns. M. Downey does not want to see the executive committee abolished, maybe the structure changed, but not eliminated. B. Worth suggested maybe rotating the at-large members and have a term limit. The Board agreed that CVEC is too small, too newly formed, but may review the composition of the executive committee in the future. J. Bernstein warned that the Private Letter Ruling is based on the structure of the bylaws. J. Cunningham stated that CVEC couldn't afford to lose the Town of Barnstable from CVEC. P. Cabana stated that the towns do not have financial exposure, but that CVEC has the financial exposure. He does not want the executive committee abolished, and would rather vote for extension of executive committee members and retaining executive committee level.

XIV. CoBank Meeting April 21

M. Downey stated that CoBank will be coming to our offices on Tuesday April 21 at 11 am, to make a presentation on their financial services.

Executive Session

On a motion by Peter Cabana and seconded by Charles McLaughlin, the Board voted by roll call to go into Executive Session at 12:28 pm to discuss the sale or value of real property and to return to open session after discussion and to allow for Jeff Bernstein, Joe Soares and Lindsay Stranger to be present during the Executive Session. Zielinski- yes, McLaughlin- yes, Downey- yes, Cabana- yes, Cunningham- 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 12:31 pm. Zielinski-yes, McLaughlin- yes, Downey- yes, Cabana- yes, Cunningham- yes, Worth- yes

XV. Status of Draft Job Description for CVEC position

C. McLaughlin stated that they should pursue the offer from Mark Forrest and Congressman Delahunt. M. Downey stated that CVEC currently does not have any money to hire someone, and will speak with Congressman Delahunt. She stated that she and M. Zielinski have spoken with MTC and Carter Wall regarding funding. J. Cunningham stated that it could take a long time to hire someone and have them be able to move here, and that CVEC needs someone quickly. M. Downey asked if they should ask the Cape Light Compact for funding to hire a staff person. M. Downey stated that she will ask the Cape Light Compact Executive Committee to join the CVEC meeting on

April 21. She stated that she would send the salary recommendations to the Board of Directors, and will put the Cape Light Compact Board on notice that they may come back to them for funding. J. Bernstein stated that Tom Gebhard would be able to provide, manage the projects and do the job. M. Downey stated that maybe they could ask the Cape Light Compact Board for a “loan” with the understanding that if funding does not come from MTC, then CVEC won’t be able to pay the money back.

XVI. Other Business

A. Business Plan-

M. Zielinski and M. Downey stated that they are working on the business plan and will try to have one for the April 21 meeting.

On a motion by Charles McLaughlin and seconded by John Cunningham, the Board voted to authorize Mark Zielinski to name a proxy to submit CVEC’s ballot, for the PURMA election on April 20, 2009, as we will not be in attendance. He named James Rood, Controller for Westfield Gas and Electric to submit our ballot. Unanimously approved.

XII. Community Wind Financing- Mechanics of assigning 10% to CLC

M. Downey stated that under the net metering law, there would be a check to the owner of the facility. Originally, they had stated that 10% of the energy produced from the facility would go to the Cape Light Compact as energy, but under the net metering law the 10% would be in the form of a check. J. Soares stated that they could use the money to buy down the rates in the future for Cape Light Compact customers.

M. Downey stated that she would like to make the memo from BCK on net metering public, and send to Senators O’Leary and Morrissey, because they are the ones who used the words “virtual” for net metering. She stated that if it has to be behind the meter, then there will be no projects. J. Bernstein stated that in the DPU’s proposed rules, that the language on host has to be clarified. A couple of other comments were as follows: on page 6, #3, how do they decide who is in the queue for projects- there has to be pre-qualifications; in #4, DPU did not clarify having to be a basic service customer, and in the Green Communities Act, it says that towns can have a 10 kW/project. J. Bernstein stated that comments on net metering are due on 4/14, and the hearing is being held on 4/27. He stated that there is a meeting with Larry Chretien regarding net metering, to all get on the same page.

XVI. Other Business

D. Orleans Forum, April 27th at 6:00 pm

J. Cunningham and C. McLaughlin offered to speak at the forum, as M. Downey is concerned that she won’t be back from the net metering hearing in time.

XI. Town of Brewster wind project

J. Cunningham stated that the Town was given copies of the templates and they gave them to their lawyer, who sent them back with questions. J. Bernstein stated that Rebecca reviewed the comments and said that they were minor. He also stated that town meeting does not need to approve any other documents except the lease agreement. J. Bernstein

stated that RUS wants to see a financial analysis showing cost, to make sure that it covers the debt. J. Cunningham hopes that Black and Vietch have sent out the feasibility study on 6 potential sites. They have a meeting on 4/9/09 at 2:30 with the Energy Committee to go over the study. He thinks that the Barrows site and the north side of Captain's Golf Course may be the most accepted sites for the wind turbines. M. Downey asked when does CVEC step up for the project. C. McLaughlin stated that there needs to be something legally binding before they put money into a project. M. Zielinski stated that they need to hire someone, so that when Brewster is ready, CVEC can jump right on it. *On a motion by Mark Zielinski and seconded by Peter Cabana, the Board authorized the use of up to \$25,000 for funding to hire someone and draft a scope of services on a short term/bridge basis. Unanimously approved.*

Other Business

P. Cabana gave an update on Martha's Vineyard. He stated that there are two towns (Tisbury and Oak Bluffs) that are ready for turbines. He stated that the engineers said that their two sites would not work, and are possibly looking for 50 MW offshore on an island.

Status of legal budget

J. Bernstein suggested that they bill by project, so that everyone can keep track.

Next Meeting Date

Tuesday, April 21, 2009 at 10 am.

On a motion by Mark Zielinski and seconded by Peter Cabana, the Board voted to adjourn the meeting at 2:15 pm.