

BERKSHIRE WIND POWER COOPERATIVE CORPORATION

JOINT BOARD OF DIRECTORS & MEMBERSHIP MEETING

**SHREWSBURY ELECTRIC LIGHT AND CABLE OPERATIONS
100 MAPLE AVENUE
SHREWSBURY, MA**

**NOVEMBER 29, 2018
10:00 AM**

REGULAR SESSION

MINUTES

1. CALL TO ORDER

Chairman Driscoll declared a quorum of Directors and a quorum of Members present and called the Regular Session of the Berkshire Wind Power Cooperative Corporation Joint Board of Directors Meeting and Membership Meeting to order at 10:06 AM.

Those present:

BOARD OF DIRECTORS

John Driscoll, Templeton; Peter Dion, Wakefield; Glenn Trueira, Peabody; and Ronald C. DeCurzio, MMWEC.

MEMBERS

Kevin Sullivan, Ashburnham; Mark Barakian, Boylston; Jeffrey Cady, Chicopee; Kevin Kelly, Groton; Jane Parenteau, Holden; Panos Tokadjian, Hull; Jon Blair, Ipswich; Joseph Kowalik, Marblehead; Tara Rondeau, Paxton; Michael Hale, Shrewsbury; John Driscoll, Templeton; Peter Dion, Wakefield; Glenn Trueira, Peabody; Ronald C. DeCurzio, MMWEC and Jon Fitch, West Boylston.

OTHERS

Nicholas J. Scobbo, Jr. Clerk; and Tammy Kane, Recording Secretary, Ferriter Scobbo & Rodophele PC; Brian Quinn, Director, Engineering & Generation Assets, MMWEC; Matthew Ide, Executive Director – Energy & Financial Markets, MMWEC; and Carol Martucci, Director of Accounting & Financial Reporting, MMWEC.

2. APPROVAL OF JOINT AGENDA

A motion to approve the Agenda as presented was made by Dion and seconded by DeCurzio and it was unanimously voted by both the Board of Directors and the Members to approve the Agenda as presented.

3. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

A motion to approve the Regular Session Board of Directors Meeting Minutes of June 26, 2018 and July 11, 2018 was made by DeCurzio and seconded by Dion and it was unanimously voted by the Board of Directors to approve the Regular Session Board of Directors Meeting Minutes of June 26, 2018 and July 11, 2018.

A motion to approve the Regular Session Membership Meeting Minutes of November 29, 2017 was made by Kelly and seconded by Fitch and after a question by Kelly was answered, it was unanimously voted to approve the Regular Session Membership Meeting Minutes of November 29, 2017.

4. MEMBERSHIP - ELECTION OF BOARD MEMBERS

Driscoll stated this portion of the Agenda is eliminated. The members of the Board serve three-year terms and no members of the Board are up for re-election currently.

5. BOARD

a. Election of Officers

Driscoll asked Scobbo to remind all present of the current officers of the Cooperative. Scobbo stated: Dion, President; DeCurzio, Treasurer; and Scobbo, Clerk. Scobbo stated per the By-Laws there needs to be an election of Officers every year by the Board.

Whereupon a motion was made by Dion and seconded by DeCurzio to move the slate of the current officers and on a voice vote, it was unanimously voted by the Board of Directors that:

Vote: 18-01 The Board of Directors Elects: Dion as President, DeCurzio as Treasurer and Scobbo as Clerk.

b. Selection of Chairman

Driscoll stated the Board needs to elect a Chairman.

Whereupon a motion was made by Dion and seconded by DeCurzio to elect Driscoll as Chairman and it was unanimously voted by the Board of Directors that:

Vote: 18-02 John Driscoll be re-elected as Chairman of the Berkshire Wind Power Cooperative Board of Directors to serve in accordance with the By-Laws and until his successor is elected and qualified.

c. Amendment of Attachment A to the By-Laws

Scobbo stated the Board needs to vote on Amended Attachment A to the By-Laws. This is the final act to be taken with respect to Chicopee and Russell being new Members of the Cooperative. Per the By-Laws, the Participants in Phase 1 and Phase 2 and their respective percentage interests need to be shown on Attachment A to the By-Laws. Amended Attachment A amends the original Attachment A to include Chicopee and Russell and fulfills the requirement. The Membership has already voted Chicopee and Russell as members of the Cooperative but under the By-Laws, the Board must act to accept the new Members. Amended Attachment A to the By-Laws accomplishes that. It will be circulated to all the Members.

Whereupon a motion was made by Dion and seconded by Trueira and it was unanimously voted by the Board of Directors:

Vote: 18-03 The Board of Directors adopt Amended Amendment A to the By-Laws as presented at this meeting and to accept Chicopee and Russell as Members of the Cooperative.

6. REVIEW OF PROJECT STATUS AND OPERATION

b. Operations/Status – Phase 1 and Phase 2

Quinn distributed and reviewed the Phase 2 project schedule status. The redline on the sheet indicates where the project is to date. He stated that John Driscoll has executed two Limited Notices to Proceed for Reed & Reed, while the contract is being worked on. Reed & Reed has started civil design and engineering and earth work. Blasting the access road between sites HN-8 and HN-9 as well as the sites themselves is necessary. Quinn stated progress is being made considering the weather. The goal is for earth work to be completed in mid-December. It is expected by the third week in December excavation, the mud-slab and foundations will be underway for the two sites. Collector system work and ground circuitry at HN-8 and HN-9 will commence upon completion of the foundation work. As of today, the turbines are scheduled to be delivered to the pads by mid-to-late January, weather permitting, the grounding, foundation and base work should be finished the first week of February with erection of Turbines 8 and 9 in the second and third week in February. Tower wiring is scheduled to commence in the fourth week of February. Mechanical Completion is tentatively set for the

third week in March, with Commissioning the last week in March and COD May 1. DeCurzio stated the turbines have been delivered to the lay down area in New York. Tokadjian asked if there were any contingencies due to weather. Quinn replied yes. The schedule Quinn discussed is completely dependent on weather conditions. ISO COD was January 2019 but was recently extended to August 2019.

Driscoll asked about lead time for the transformers. Quinn replied that MMWEC moved up the ordering time for that ASAP.

Truiera asked about the Feronia Taking. DeCurzio stated Feronia was paid. Dion asked if Feronia can now file a lawsuit to which Scobbo replied Feronia can file a lawsuit within three (3) years from the date of the Taking, which was effective on August 8, 2018 when the Order of Taking by the MMWEC Board of Directors was recorded in the Northern Berkshire Registry of Deeds. Scobbo stated there are two claims that Feronia may take in a lawsuit: one is to claim the Cooperative violated some procedural aspects and the second is a claim for monetary damages. Scobbo stated that the probability of a lawsuit based on violating the procedures is low. The money was sent to Feronia in New York via a check. Trueira asked if Feronia cashed the check. Martucci replied that she will get that answer. DeCurzio stated he received an e-mail from Feronia acknowledging receipt of the check. Scobbo stated cashing the check does not bar any lawsuit. Scobbo further stated Reed & Reed has been extremely diligent in not wandering off onto Feronia's property.

6a. 2019 O&M Budget for Membership Approval

Quinn reviewed the Proposed Operations & Maintenance Budget Compared to Actuals Forecast. He stated there are two separate columns for Phase 1 and Phase 2. Charges are allocated between Phase 1 and 2 at a percentage of approximately 76%-24%. DeCurzio stated billings will start in April. Martucci explained the percentage breakdown and stated Phase 2 billings will be spread out over 9 months, Phase 1 billings will be spread out over 12 months.

Quinn expects a decrease from \$300,000 to \$275,000 in the GE O&M Agreement. MMWEC wants to shave off \$75,000.

Quinn stated blade repair on the final six (6) turbines was completed for leading edge erosion.

Regarding the CVM system, some of that work was done this year and efforts are being increased in this area. All ten (10) gear boxes were inspected with videoscope. There were no unusual findings except normal wear after seven (7) years of operation. There is an underrun on snow plowing. On the advice of GE, MMWEC purchased 30 batteries due to numerous battery failures. GE said the failures were the result of the batteries running light. Additional chargers were purchased also because of the recloser opening. Quinn stated the increase in consumables is because MMWEC is doing some work GE used to do for some items.

Quinn briefly described the RFL process, guard signal and the Partridge, Doreen and Adams substations which feed into the RFL for Partridge. There is a 30-second guard signal, after which time, the recloser would result in violent, abrupt shutdown. There are three (3) guard signals on a Verizon wire. The RFL should help rectify the violent shutdown. The Cooperative is going to make design modifications with Eversource and GE so that if the guard signal is lost due to the communications system, the turbines will go through a controlled shutdown

which will be less violent and damaging and improve reliability. DeCurzio stated the RFL was billed in 2014. Tokadjian asked for a one-line diagram of the wind farm.

DeCurzio stated MMWEC's new employee is trained on GE turbines. As a result, MMWEC staff did more of the GE O&M work and they did it with a faster response time.

Trueira asked why the numbers did not add up in the MMWEC Administrative section of the proposed budget. Martucci reviewed this and stated this is the 2018 Budget to Actuals Forecast, and this likely happened when totals from other Berkshire spreadsheets were copied into the current spreadsheet and the formulas were not updated. She will correct it and stated these numbers are not the numbers being voted on today. This is not the proposed 2019 O&M to be voted on today.

Quinn reviewed the Proposed 2019 Operation and Maintenance budget. Hale asked how MMWEC computed the allocations for Phase 1 and Phase 2 and used an O&M big ticket item as an example. Martucci responded. Dion asked if there will be two (2) separate maintenance contracts. Scobbo stated the TSA for Phase 2 did address to a certain degree maintenance and GE provided some concessions if we use one maintenance contract with GE. There will be one contract and how it will get split is yet to be determined because the contract process hasn't started yet.

Quinn stated the Verizon and WMECO bills speak for themselves. Driscoll asked about electric use costs, is the allocated \$62,400 for the substation building? Quinn replied yes. Humidity was high, it was a hotter year, air conditions were running and there was low wind production. Also, due to many outages, the Cooperative had to rely on WMECO's power. Driscoll asked if Quinn knows the demand, but not in MWs. Driscoll suggested that perhaps the Cooperative could use a battery. Quinn stated he will find out the demand, Driscoll asked if a wind energy battery can be used to lower this cost. Cady asked if solar can be used, Scobbo replied yes as to the battery, if there is enough room.

Trueira asked about the cost for batteries. DeCurzio stated GE said the batteries might not be easily obtainable. Quinn said the project would be dead in the water without them so 30 batteries were purchased. Quinn stated a new truck was purchased because the Cooperative was paying Stony Brook to use a truck. The Cooperative truck will be used frequently and will be paid for in two years. The purchase was easily justified. Hale asked if the same formula 74%-26% is being used. Martucci replied yes and stated the splits will be cleaner next year after a full year of operation. DeCurzio stated the split is based on project capability of both phases.

Quinn stated there is an increase in MMWEC Engineering due to negotiating the Operations & Maintenance Agreement and with MMWEC picking up a lot more of the work GE has been doing the last several years. MMWEC staff is doing the work at a lower cost and faster.

Martucci stated there is an increase in the MMWEC Accounting and Financing totals because of Phase 2 activity. Right now, there is a lot do, the work is double, there are two sets of bills, etc. As things progress these costs should be lower.

MMWEC has been piloting a program over the last year and a half to maximize utilization of the turbines. Ide stated there is a fundamental decision every day because wind is a renewable resource and there is no control over when it will run. The decision faced is whether MMWEC wants to put the unit in real time or in the day ahead. There is a risk of overproduction in real time. MMWEC staff looks at the probability of negative LNPs. If that occurs, the Cooperative is essentially paying ISO to generate, MMWEC will determine if there is a threat of a negative LNP situation for the next day, and if decided there won't be a negative situation, MMWEC then performs an analysis to determine how to maximize revenue by using day ahead or real time. MMWEC made a presentation on this program. Preliminary results indicated Cooperative revenue could be enhanced well in excess of additional labor costs in performing these analyses. This program is ongoing for both Phase 1 and Phase 2.

Martucci stated there is an underrun in legal. The Phase 1 project overall is trending about \$40,000 less than the prior year. Martucci clarified the Budget to Actual totals discussed earlier in the meeting.

Having no further discussion on the budget, a Motion was made by Kelly and seconded by Dion and the Members unanimously voted:

Vote MEM 18-04 To approve the 2019 Operations & Maintenance Budget for the Berkshire Wind Power Cooperative Corporation as proposed and presented.

7. OTHER

There was no other business to discuss at this time.

8. EXECUTIVE SESSION

A motion was made by DeCurzio and seconded by Dion for the Board of Directors to enter into Executive Session for purposes of discussing, the potential purchase, exchange or lease of real property, trade secrets and confidential, corporate-sensitive information where the corporation has determined disclosure will have an adverse effect on the corporation's ability to conduct its business with respect to competitors, to discuss strategy with respect to litigation and to reconvene the Board of Directors Meeting into Regular Session at the conclusion of the Executive Session for purposes of adjournment.

On the basis of a roll-call vote as follows:

DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Trueira	"aye"

A motion was made by Kelly and seconded by Rondeau for the Membership to enter into Executive Session for purposes of discussing, the potential purchase, exchange or lease of real property, trade secrets and confidential, corporate-sensitive information where the corporation has determined disclosure will have an adverse effect on the corporation's ability to conduct its business with respect to competitors, to discuss strategy with respect to litigation and to reconvene the Membership Meeting into Regular Session at the conclusion of the Executive Session for purposes of adjournment.

On the basis of a roll-call vote as follows:

Barakian	"aye"
Blair	"aye"
Cady	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Hale	"aye"
Kelly	"aye"
Kowalik	"aye"
Parenteau	"aye"
Rondeau	"aye"
Sullivan	"aye"
Tokadjian	"aye"
Trueira	"aye"

The Joint Board of Directors and Membership entered Executive Session at 11:08 AM.

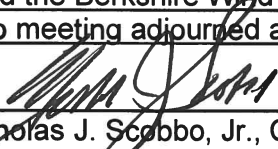
The Joint Board of Directors and Membership Meeting re-convened the Regular Session at 11:28 AM.

9. ADJOURNMENT

All business having been concluded, a motion was made by Cady and seconded by Kelly to adjourn the Berkshire Wind Power Cooperative Corporation Membership Meeting and a motion was made by Dion and seconded by DeCurzio to adjourn the Board of Directors meeting.

Chairman Driscoll declared the Berkshire Wind Power Cooperative Corporation Joint Board Directors and Membership meeting adjourned at 11:29 AM.

ATTEST:



Nicholas J. Scobbo, Jr., Clerk
Berkshire Wind Power Cooperative Corporation