

BERKSHIRE WIND POWER COOPERATIVE CORPORATION

JOINT BOARD OF DIRECTORS & MEMBERSHIP MEETING

VIA REMOTE PARTICIPATION

NOVEMBER 18, 2021

10:00 AM

REGULAR SESSION

MINUTES

1. CALL TO ORDER

Chairman Driscoll declared a quorum of the Board of Directors and a quorum of the Members present and called the Regular Session of the Berkshire Wind Power Cooperative Corporation Joint Board of Directors and Membership Meeting to order at 10:00 AM.

Those present:

BOARD OF DIRECTORS

Peter Dion, Wakefield; John Driscoll, Templeton; Panos Tokadjian, Hull; Jon Blair, Ipswich; and Ronald C. DeCurzio, MMWEC.

MEMBERS

Kevin Sullivan, Ashburnham; Mark Barakian Boylston; James Lisowski, Chicopee; Kevin Kelly; (10:50) Groton; Barry Tupper, Holden; Panos Tokadjian, Hull; Jon Blair, Ipswich; Joseph Kowalik, Marblehead; Tara Rondeau, Paxton; Christopher Roy, Shrewsbury; Darren Borge, Sterling; John Driscoll, Templeton; Peter Dion, Wakefield; Jon Fitch, West Boylston; and Ronald C. DeCurzio, MMWEC.

OTHERS

Nicholas J. Scobbo, Jr. Clerk; and Tammy Kane, Recording Secretary, Ferriter Scobbo & Rodophele PC; Brian Quinn, Director, Engineering & Generation Assets; Carol Martucci, Director of Accounting & Financial Reporting; Jason Viadero, Chief Emerging Technologies Engineer; Sara Erwin, Senior Accountant & Payroll Supervisor, all of MMWEC.

2. APPROVAL OF AGENDA – MEMBERSHIP & BOARD

A motion to approve the Agenda of the Joint Board of Directors and Membership Meeting as presented was made by Tupper and seconded by DeCurzio for both the Board of Directors and the Membership and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted to approve the Agenda as presented.

Barakian	"aye"
Blair	"aye"
Borge	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Kowalik	"aye"
Lisowski	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"
Tupper	"aye"

3. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Joint Membership & Board of Directors Meeting: November 12, 2020 Regular Session Membership Portion Only

A motion to approve the Regular Session Joint Board of Directors and Membership Meeting Minutes Membership only portion of November 12, 2020 was made by Tokadjian and seconded by Roy for the Membership and because this is a remote participation meeting it was unanimously voted to approve the Regular Session Joint Board of Directors and Membership Meeting Minutes, Membership only portion of November 12, 2020 as follows:

Barakian	"aye"
Blair	"aye"
Borge	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Kowalik	"aye"
Lisowski	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"
Tupper	"aye"

4. BOARD and MEMBERSHIP

Martucci stated Item 4c. Operations Status would be flipped ahead of Items 4a and 4b for purposes of review before voting on the Proposed 2022 Budget.

a. Operations Status – Phase 1 and Phase 2

Quinn stated the Phase 1 (ten (10) 1.5 MW turbines) have been in operation for ten (10) years now. Issues are starting to identify themselves after a decade.

Viadero reviewed Phase 1 numbers. Phase 1 year to Date Capacity Factor is 24.00% and availability Factor is 76.93%. Viadero stated the Capacity Factor increases in the winter and decreases in the summer due to low winds. Major drivers affecting the Capacity Factor numbers were the Partridge outage in March, April and June as a result of Eversource making upgrades by installing a 62 MVA transformer. The Partridge work is completed. Viadero stated monthly generation compared to average generation is lower, but there has been better generation in the summer. Phase 2 factors were not impacted so severely because of the newer vintage turbines. Availability Factor was approximate 88% while the Capacity Factor was in excess of 26%.

Viadero stated an ETC vibration occurred, GE admitted there was an issue, but this caused a decrease in generation. GE is on site now for fall fixes and they will address the vibration next week.

Quinn discussed the Partridge Substation upgrade which resulted in Cooperative outages in March, April and June. MMWEC was disappointed with the short notice Eversource provided and the lack of help given after MMWEC was notified and reached out to Eversource with questions and concerns. This subject was discussed in detail with the Board of Directors, all agreed it was unacceptable for Eversource to leave the Cooperative without any power source while Eversource completed the installation of a 62.5 MVA transformer at Partridge Substation. Subsequent to the Board discussions, MMWEC sent a letter to Eversource CEO James Judd. The letter requested Eversource install an alternate power service at its own cost. Eversource agreed and the result was a bridge of the 15 E1 to the 15 E4 circuits which Eversource installed and paid for. MMWEC was pleased with this result and there is now a system in place to protect the Cooperative's equipment, if there is an outage at Partridge for any reason.

Viadero stated internet upgrades have been made resulting in improved communications. T-1 copper lines were problematic from both a data and reliability perspective. MMWEC worked with Verizon to install fiber internet service, this will result in five (5) times more transfer capability, better security camera feed/resolution and improved passing of data to Stony Brook and GE in addition to expandability for the future. A three-year contract is in place with Verizon which is beneficial from an operational standpoint.

Quinn stated short-term lead items are now long-term lead items due to COVID-19 supply chain issues. MMWEC should not just rely on GE parts. MMWEC will be working with Blue Sky Wind to acquire parts and components for Phase 1 resulting in shorter lead times and greater inventory and availability. MMWEC will also be using refurbished parts that will result in significant cost savings.

Quinn discussed the HN-9 Gearbox issue. The CMS detected a vibration in July. A third-party borescope in August confirmed there was spalling in the bearing. GE and the third-party arrived at different conclusions. GE stated the defect was not critical and the turbine could operate in its normal state, while the third party stated the gearbox should be changed now. GE further stated the third-party was not qualified to render an opinion. The gearbox is covered under the TSA warranty and MMWEC wanted it replaced in October but that was not part of GE's business plan Quinn stated. GE did not take into account the Cooperative's business plan to MMWEC's dismay. GE said it will schedule the gearbox replacement in the Spring of 2022. Quinn stated Scobbo identified concerns regarding oil degradation. At this point, Scobbo stated the discussion on this issue should be in Executive Session.

Quinn reviewed the MMWEC Engineering Update which he circulated. He stated MMWEC has three (3) Initiatives for 2022. The first is potential guard signal improvements. The Partridge substation is out in the woods, the old system was costly. Viadero stated guard signal replacement could result in potential savings of \$10,000 per year. The second is an OSA Agreement with GE for umbrella services. MMWEC was not satisfied with frequent price increases and lack of support from GE so it sent out Preventative Maintenance bids to other vendors. Baldwin does not yet have experience with the Phase 2 2.3 MW turbines, so GE was selected. Through negotiations there has been a move to an agreement resulting in a three (3) year umbrella agreement that will provide cost and price stability after the CMS vibration monitoring system expires next year. Quinn stated through this OSA MMWEC will receive GE responses sooner and have access to better engineering in addition to preventative maintenance support. The third initiative is Phase 1 Hoist replacement. Viadero briefly discussed non-recurring charges on the foundation, rock anchors and tightening bolts will need to be addressed in 2022. He stated the hoist is one example of aging equipment for Phase 1. This year MMWEC put money in the budget to replace all Phase 1 hoists. Due to the age of the equipment these costs are necessary. The chain hoists are inspected twice a year, signs of wear are now showing. The Cooperative can reduce costs by 20% by purchasing replacements in bulk. Viadero stated one hoist has already been replaced.

Viadero stated MMWEC expects gearbox reliability failures to increase. Gearbox Express out of Wisconsin is the largest third-party gearbox provider in the US. MMWEC will enter into an agreement with them to minimize supply chain issues and up-front costs. Currently the wait time for a new gearbox is twenty-six (26) weeks. Quinn stated he feels comfortable with this new gearbox line item in the budget. Roy asked about guarantees regarding delivery, who is responsible, are there contingencies, what are the penalties. This question is one of the reasons why MMWEC sent the preventative maintenance contract out to bid. Quinn stated the OSA with GE will give MMWEC more leverage and mitigation as far as parts, parts availability and defined shipping/delivery deadlines. Quinn stated prior to signing the Gearbox Express contract MMWEC will include monetary penalties for shipping and delivery deadlines not met. Quinn stated MMWEC utilizes a critical inventory process and examines what replacement components/newer components should be in stock. Viadero stated computer cards, motors and smaller parts are kept in stock, the exception being larger parts for Phase 1. Larger parts are not in stock. MMWEC is confident in its small parts stock. There are no small parts for Phase 2 in stock right now due to newness of Phase 2. Quinn stated MMWEC's philosophy is to be proactive in managing the assets so having adequate parts on its shelves is essential.

In response to Roy's question, Quinn stated MMWEC and Eversource have come a long way in improved communications, both the distribution and transmission side. Quinn considered it a victory for the Cooperative when Eversource agreed to install the alternate power service during the Partridge outage. In addition, MMWEC is receiving timely informational notices now from Eversource. Quinn hopes improved relations will continue. Roy stated the Cooperative needs to encourage better performance.

a. 2022 Annual Budget – Presentation for Membership Approval

Martucci reviewed the 2021 Budget to Actuals broken down into three categories. Overall, there were slight Phase 1 and Phase 2 variations. DeCurzio asked Martucci to explain for the newer Managers the allocations for Phase 1 and Phase 2. Martucci stated many of the budget line items are common between the Phases so allocations on a split of 76% for Phase 1 to 24% for Phase 2 is used in certain cases. For example, there are GE maintenance costs that do not exist for Phase 2 because such costs are under warranty, so they are not allocated. Also, MMWEC uses bill codes and Phase 1 and Phase 2 entitlements for Participants are different. Martucci stated many of the Participants are in both Phase 1 and Phase 2.

Martucci stated under Operations & Maintenance there is an overrun on GE Phase 1 due to contract negotiations. On MMWEC Administrative & Engineering Oversight there is an underrun due to open positions in MMWEC which trickles down to benefits and lastly in the Other category there is an overrun in Legal Services attributed to O&M issues and PILOT negotiations.

Martucci reviewed the Proposed 2022 O&M Budget. She stated bi-annual events are occurring as stated earlier by Quinn and Viadero. The bi-annual events are driving up Phase 1 costs.

Highlights include:

Line Item 1 – GE OSA is a new line item. The Budget to Actual will come in a little under due to underbudgeting for 2021 and a per turbine contract charge.

Line Item 4 – Based on drone assessments blade repairs are expected in 2022.

Line Items 18-25 – These bi-annual events, some discussed earlier, were not in last year's budget. Martucci stated GE makes platform changes frequently, so SCADA and toolbox training classes are needed.

Martucci noted about 20-25% of costs allocated to Phase 1 of the Proposed Budget are non-recurring.

On the MMWEC Administrative side Martucci stated there has been an increase in MMWEC costs of about 3%.

Highlights include:

Line Item 26 & 27 – Historically most MMWEC costs have been for Phase 1. This is still the case with MMWEC Operations Staff going to the mountain more frequently.

Line Item 34 – Another cost driver is insurance increases. Premiums have gone up over 10% since last year, it is difficult to find value. MMWEC hopes to negotiate a lower premium for next year.

Line Item 35 – Legal Services is based on legal estimates with additional costs added.

MMWEC thought it was prudent to put added costs in the budget due to ongoing efforts surrounding Turbine HN-9 gearbox and repair.

There were no questions on the 2022 proposed budget.

Whereupon a motion was made by Kelly and seconded by Barakian for the Membership to approve the 2022 Operations & Maintenance Budget and recommend its adoption to the Board, and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted:

Vote MEM 21-01 To approve the 2022 Operations & Maintenance Budget for the Berkshire Wind Power Cooperative Corporation as proposed and presented by the Board of Directors for Phase 1 and Phase 2.

Barakian	"aye"
Blair	"aye"
Borge	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Kelly	"aye"
Kowalik	"aye"
Lisowski	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"
Tupper	"aye"

b. Board Vote only on 2022 Annual Budget

Whereupon a motion was made by DeCurzio and seconded by Blair for the Board of Directors to adopt the 2022 Operations & Maintenance Budget as approved by the Membership and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted:

Vote 21-01 To adopt the 2022 Operations & Maintenance Budget for the Berkshire Wind Power Cooperative Corporation as proposed, presented and approved by the Membership.

Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Tokadjian	"aye"

5. MEMBERSHIP ONLY

a. Confirmation of Panos Tokadjian Election to Board of Directors

Scobbo stated the retirement of Sean Hamilton left a vacancy on the Board of Directors. All Members were sent a vote in the form of an Action by Consent. A majority of Cooperative Members returned Consents and all selected Panos Tokadjian. The purpose of this vote is to affirm the Actions by Consent.

Whereupon a motion was made by Kelly and seconded by Kowalik and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted:

Vote MEM 21-02 To affirm the Actions by Consent and to elect Panos Tokadjian to fill the vacancy left by Sean Hamilton and to serve as a Director of the Cooperative for the remainder of Hamilton's three (3) year term which commenced on November 12, 2020 until such a time as a successor is chosen and qualified.

Barakian	"aye"
Blair	"aye"
Borge	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Kelly	"aye"
Kowalik	"aye"
Lisowski	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"
Tupper	"aye"

6. BOARD ONLY

a. Election of Officers

For purposes of the new Managers, Scobbo stated Massachusetts General Laws, Chapter 164 Sec. 47c provides gives authority to municipal light plants to form cooperatives among themselves and/or with public entities like MMWEC and to elect and appoint officers of such cooperatives. The Berkshire Cooperative is comprised of MMWEC and sixteen (16) MLPs. Pursuant to the Cooperative By-Laws there must be five (5) Directors. One Director (1) is appointed by the MMWEC Board of Directors, and that appointment does not require an election. The remaining four (4) Directors must represent the Cooperative municipal light plant Membership and are voted on by them for (3) years. Scobbo stated Tokadjian will fill out Hamilton's term which will require re-election in two (2) years.

The current Officers of the Board of Directors are Dion, President, DeCurzio, Treasurer and Scobbo, Clerk.

Whereupon a motion was made by Blair and seconded by Dion to elect the slate of the Officers as presented and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted by the Board of Directors of the Berkshire Wind Power Cooperative Corporation in accordance with Article III, §2 of the Cooperative's By-Laws as follows:

Vote 21-02: That the Board of Directors of the Berkshire Wind Power Cooperative Corporation ("Cooperative"), in accordance with Article III, §6 of the By-Laws, hereby votes to re-elect the following as Officers of the Cooperative: (1) Peter Dion as President of the Cooperative; (2) Ronald C. DeCurzio as Treasurer of the Cooperative; and (3) Nicholas J. Scobbo, Jr. as Clerk of the Cooperative, with each of the Officers to serve a one-year term and until his respective successor is chosen and qualified.

Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Tokadjian	"aye"

b. Election of Chairman

Hearing no other nominations Driscoll was nominated as Chairman of the Board of Directors.

Whereupon a motion was made by Dion and seconded by Blair to elect Driscoll as Chairman of the Board of Directors for one (1) year and until his successor is chosen and qualified and because this is a remote participation meeting on the basis of a roll-call vote as follows it was voted:

Vote 21-03: That the Board of Directors of the Berkshire Wind Power Cooperative Corporation ("Cooperative"), in accordance with Article III, §6 of the By-Laws, hereby votes to re-elect John Driscoll as Chairman of the Board of Directors of the Cooperative to serve for a one-year term and until his successor is chosen and qualified.

Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Tokadjian	"aye"

7. OTHER

There was no other business to discuss at this time.

8. EXECUTIVE SESSION

A motion was made by Tokadjian and seconded by Blair for both the Board of Directors and 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 that 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 Joint Board of Directors and Membership Meeting into Regular Session at the conclusion of the Executive Session for purposes of adjournment and on the basis of a roll-call vote as follows:

Barakian	"aye"
Blair	"aye"
Borge	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Kelly	"aye"
Kowalik	"aye"
Lisowski	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"
Tupper	"aye"

The Joint Board of Directors and Membership Meeting entered Executive Session at 11:23 AM.

The Joint Board of Directors and Membership Meeting re-entered Regular Session at 11:30 AM.

9. ADJOURNMENT

All business having been concluded, a motion was made by Dion and seconded by Blair for both the Board of Directors and the Membership to adjourn the Berkshire Wind Power Cooperative Corporation Joint Membership and Board of Directors meeting and it was unanimously voted by all present to adjourn the Joint Membership and Board Meeting.

Chairman Driscoll declared the Berkshire Wind Power Cooperative Corporation Joint Board Directors and Membership meeting adjourned at 11:31 AM.

A TRUE RECORD
ATTEST:



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