

BERKSHIRE WIND POWER COOPERATIVE CORPORATION

BOARD OF DIRECTORS MEETING

STERLING MUNICIPAL LIGHT DEPARTMENT  
50 MAIN STREET  
STERLING, MA

AUGUST 19, 2015  
9:00 AM

REGULAR SESSION

MINUTES

**1. CALL TO ORDER**

Chairman Driscoll called the Regular Session of the Berkshire Wind Power Cooperative Corporation Board of Directors meeting to order at 9:06 AM.

Those present:

**BOARD OF DIRECTORS**

John Driscoll, Templeton; Sean Hamilton, Sterling; Glenn Trueira, Peabody; and Ronald C. DeCurzio, Chief Executive Officer & Secretary.

**MEMBERS**

Mike Rivers, Ashburnham; Michael Hale, Shrewsbury; and Mark Cousins, Wakefield.

**OTHERS**

Nicholas J. Scobbo Jr., Clerk; and Tammy Kane, Recording Secretary, Ferriter Scobbo & Rodophele, PC; Edward Kaczinski, Director - Engineering & Generation Assets and Mike Lynch, Director, Market Management & Planning, MMWEC; and Bryan Howcroft, Peabody.

**2. APPROVAL OF AGENDA**

A motion to approve the Agenda as presented was made by DeCurzio and seconded by Hamilton and on a unanimous voice vote, the Agenda was approved as presented.

**3. MINUTES**

A motion to approve the Regular Session Minutes of the July 9, 2015 Board of Directors' meeting was made by DeCurzio and seconded by Hamilton and on a voice vote it was unanimously voted to approve the July 9, 2015 Board of Directors' Regular Session Minutes as presented with Trueira abstaining.

#### **4. REPORT ON OPERATIONS**

Kaczenski reviewed the August 19, 2015 Berkshire Wind Participants Update.

The capacity factor for the past 12 months was 38% and the capacity factor since COD was 37%. The capacity factor for the month of July 2015 was 20.1%.

Kaczenski reviewed the insurance claim status regarding the failure of the Unit 5A gearbox. After a \$50,000 deductible, the Cooperative has been paid \$738,256 to date from Travelers. There is an additional balance of \$76,486 to be paid by Travelers. The claim paid by Travelers covered all costs. Kaczenski stated as result of this claim and the fact that Travelers is exiting the market, Travelers opted not to renew the Berkshire Wind insurance coverage.

In July the Cooperative bound coverage with Zurich North America. The annual premium is \$163,220 with a \$100,000 deductible. Business interruption will be covered after 21 days. Zurich, as well as the other insurance companies who bid on the coverage, require the installation of a central vibration monitoring system. As requested by the Board, Kaczenski negotiated with GE and GE agreed to drop the cost of installation from \$105,000 to \$100,000. The central vibration monitoring system purchase order has been sent. Installation will begin over the next month.

The unplanned expenses of \$50,000, the deductible for the Unit 5A claim and \$100,000 for installation of the central vibration monitoring system will result in a minimum budget variance to the Members.

Kaczenski stated there is blade erosion on four of the ten turbines. The erosion occurs as a result of sleet and rain during the winter months. The 2015 budget allowance will cover turbines which have significant erosion. Hamilton asked if there is a mobilization cost and, if so, should additional necessary repairs be made at the same time in order to save money. Kaczenski replied that mobilization costs are minimal. Rivers asked if blade repairs will be needed every 4-5 years. Kaczenski replied yes. The blades are 125 feet high and are subject to a lot of freezing rain and sleet.

Trueira asked if the entire gearbox was replaced. Kaczenski stated it was. The near gearbox is a Wynergy, MMWEC had it on the spare parts shelf.

Driscoll suggested that, in the future, the operations reports be e-mailed to the Board in advance of the meeting and confidential material be sent as a separate document.

#### **5. OTHER**

a. Confidential Information. Recently a Member participated in a Board of Directors' meeting *via* telephone. This should not have happened. That same Member requested confidential information from Driscoll. In response to this, Chairman Driscoll asked Scobbo how the Board of Directors can maintain the confidentiality of trade secrets and litigation and other issues while getting information to the Membership so they can make informed decisions. Scobbo stated maintaining confidential information is tricky for the Cooperative (Board to Membership) In this case, the attorney-client privilege can be used to maintain the confidentiality of information discussed in executive session at Board of Directors' meetings. Scobbo stated

Members can go to the Board meetings, but they cannot use the call-in number to participate remotely in a Board of Director's meeting. If counsel is present at a Board meeting, then the attorney-client privilege is extended to the information discussed in executive session and the information will be confidential. Scobbo further stated however, if any Member is "adverse" to the Board, that Member would not get the confidential information. Scobbo clarified by "adverse" he is referring to the legal definition of "adverse". Rivers asked about executive session confidentiality. Scobbo replied that in a lawsuit, executive session does not exist to protect the information and therefore offers no confidentiality. However, attorney-client privilege is held by the Board so executive session discussions held with counsel present would remain privileged and protected.

Whereupon a motion was made by Hamilton and seconded by DeCurzio and it was unanimously voted:

Vote 15-03: At the discretion and only at the request of the Chairman, counsel when so directed, shall disseminate to the Membership or a Member(s), information discussed and provided in an Executive Session of a Board of Directors meeting, so long as counsel was present for said Executive Session.

## **6. EXECUTIVE SESSION**

Upon the conclusion of business in the Regular Session, a motion was made by Hamilton and seconded by DeCurzio to enter into Executive Session for purposes of voting on the Board of Directors Executive Session Minutes of July 9, 2015 and to discuss strategy with respect to litigation and trade secrets and to reconvene the Board of Directors Meeting into Regular Session for purposes of adjournment. On the basis of a roll-call vote as follows:

DeCurzio	"aye"
Driscoll	"aye"
Hamilton	"aye"
Trueira	"aye"

The Board of Directors entered Executive Session at 9:46 AM.

The Regular Session of the Board of Directors meeting reconvened at 10:30 AM.

## **9. ADJOURNMENT**

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

Chairman Driscoll declared the Berkshire Wind Power Cooperative Corporation Board of Directors meeting adjourned at 10:30 AM.

A TRUE RECORD

ATTEST:



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