

**STERLING MUNICIPAL LIGHT DEPARTMENT
MEETING MINUTES**

TUESDAY, MARCH 25, 2008

BOARD MEMBERS:

Kenneth I. H. Williams – Chairman
Arthur J. Coughlin, Sr. – Clerk
Richard Sheppard – Board Member

SMLD MANAGER:

John Kilgo

MINUTES:

Sandy Pellecchia

Kenneth Williams (Williams) opens the meeting at 5:00 p.m.

APPROVAL OF THE AGENDA

Richard Sheppard (Sheppard) makes a motion to approve the Tuesday, March 25, 2008 agenda as written. Seconded by Arthur Coughlin (Coughlin). Role call: Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board.

APPROVAL OF MINUTES

Sheppard makes a motion to accept the Tuesday, February 26, 2008 regular session Sterling Municipal Light Department Board Meeting Minutes as presented. Seconded by Coughlin. Role call: Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board.

CUSTOMER COMMENTS

Sheppard notes that the SMLD did a good job on the outages due to the windstorms on 03/21/08. He remembers it being Wilder Road, Princeton Road, Beaman Road.

Coughlin asks Kilgo what are we supposed to do when we are in the distribution system and we see an outage or a down wire? Kilgo answers: call the SMLD and stay clear. The SMLD will come to secure the site and will take it from there.

FINANCIALS

Kilgo notes that in general we are up just a little bit in sales. We had a slight decrease in residential usage and an increase in industrial usage. February is on record with being one of the wettest Februarys in years, but the degree-days were 2% below last year. The revenues were up overall.

OTHER BUSINESS

Kilgo explains that the SMLD should have a newsletter for the board to review in about a week. It will have the chart that the board has seen recently regarding the rates versus the CPI (consumer price index).

Shepard has been approached by a SMLD customer about a recent National Grid publication promoting 5.8 or 6.2 cents per kWh costs to the customer. Shepard offers how he cleared up this miscommunication. Kilgo offers that perhaps that they were just promoting only their delivery charge.

FINAL SUBSTATION BOND TRANSFER

Shepard makes a motion to transfer \$93,285 from the Depreciation Fund Account to the Operating Cash Account on or about April 30, 2008 for the purpose of paying the final substation bond bill. Seconded by Coughlin. Role call: Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board.

BECOMING IT SOURCE FOR THE TOWN

Kilgo explains the possibility of becoming the IT source for the Town. He says that this is an option, along with a shared IT person for the Town. The position would be an employee of the SMLD. Kilgo would like to put this concept together and present to the Light Board. A final proposal would be presented to the Selectboard.

Kilgo would like to send a preliminary letter to the Selectboard. He is also keeping the Cable Committee in the loop as well.

RESIDENTIAL SOLAR INITIATIVE

Kilgo notes that every once in a while we get an inquiry from the residential customer base for support from the SMLD on solar PV projects/installations. Currently municipal light departments are not a part of the MTC (Massachusetts Technology Collaborative) grant / loan system. However, Kilgo would like to help and advise the customers through the project. He simply wants to get the RECs back from the solar PV project. Kilgo wishes to write a letter to the Selectboard. This letter would include the fact that the SMLD would waive their

RESIDENTIAL SOLAR INITIATIVE (continued)

associated fees and would ask if the Town would be willing to waive the associated building and electrical permits?

Williams offers that we should put a minimum on the output of the solar PV project. Kilgo agrees and says this will probably be a 3.8 KW installation for a home.

Shepard offers that Worcester State College is putting up an Evergreen Solar Panel project with possible output of 75-100 KW. It is to be installed over the 2008 summer months. Power is expected to be generated in the fall.

Shepard asks about the generator for the town hall. When is the generator due in? Kilgo answers that the SMLD anticipates a ballpark date of the end of May that the generator will be completely in place.

Williams asks when is the delivery date of the school zone signs. Kilgo says it should be here shortly.

BERKSHIRE WIND PROJECT (BWP)

Chairman Williams notes that on page 2 of the certificate for the Berkshire Wind power Cooperative Corporation it states that no deliberations or decisions regarding the vote should be taken in private or executive session. Therefore, Williams would like to oblige.

Kilgo says we need to go into executive session to protect trade secrets and discuss proprietary, confidential information concerning BWP, and we can come back for the deliberations, decisions and vote.

MOTION TO EXECUTIVE SESSION

Shepard makes a motion to go into Executive Session per MGL Chapter 164, Section 47D to protect trade secrets and discuss proprietary, confidential information concerning Berkshire Wind Power Project. We will return to open session. Coughlin seconds the motion. Role call. Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board.

The Board goes into Executive Session as of 5:16 p.m.

RETURN TO OPEN SESSION

The board returns to open session at 5:29p.m.

BERKSHIRE WIND PROJECT (BWP) IN HANCOCK, MA

B.W.P.C.

10 (ten) 1500 KW Wind Turbines
 Financed for 20 Years
 Output 50,000,000 kWh per year
 C.F. = 38.1%

9.3¢	Annual Levelized Cost
2.4¢	REC Revenues *
6.9¢	Levelized Rate
8.5¢	Annual Levelized Market Rate
-1.6¢	Below Market by

732 KWs	SMLD Capacity
2.45 (10)6 kWhs	Est. Annual kWhs

* Does not include REPIs or carbon credits.

Sheppard asks what is SMLD looking to purchase?

Kilgo answers that the SMLD is looking to purchase about 732 KWs of capacity. He explains that the 1.5-megawatt, 10-turbine project will be financed for 20 years. The output is about 50 million kWh per year. The cost for debt service is about 9.3 ¢/kWh. After REC's you get a levelized rate of 6.9 ¢/kWh. The annual levelized market rate is 8.5 ¢/kWh, thus making the price below market by 1.6 ¢/kWh.

Kilgo recaps by saying that savings may be close to \$50,000 per year. It is a great benefit for the SMLD. This does not include REPI's (Renewable Energy Production Incentive) or carbon credits.

Kilgo states that he needs a signed certificate for the Berkshire Wind Power Cooperative Cooperation so that he can send to MMWEC.

There is discussion by the light board.

Sheppard makes a motion that the SMLD enter into an agreement with MMWEC for the formation of Municipal Light Plant Cooperative known as the Berkshire Wind Power Cooperative effective March 25, 2008. Seconded by Coughlin. Role call: Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board.

The contract is attached to the minutes. See attachment.

NEXT BOARD MEETING

The April 2008 board meeting will be held on Tuesday, April 15, 2008 at 5:00 p.m.

MOTION TO ADJOURN

Coughlin makes a motion to adjourn the meeting at 5:48 p.m. Sheppard seconds the motion. All in favor? Coughlin, aye. Sheppard, aye. Williams, aye. Approved by the Board. The meeting is adjourned at 5:48 p.m.

ATTEST:

Arthur J. Coughlin Sr.

Arthur J. Coughlin, Sr., Clerk

DATE:

5 June 2008

BERKSHIRE WIND POWER COOPERATIVE CORPORATION

CERTIFICATE

I, the (Secretary) (Clerk) of the Municipal Light Board of the (City) (Town) of Sterling, Massachusetts (Board), certify that at a meeting of the Board held on March 25, 2008 of which all members of the Board were duly notified and at which a quorum was present and acting throughout, the following vote was passed by a vote of 3 to 0, all of which appears in the official records of the Board in my custody:

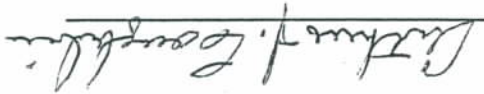
VOTED:

- (1) That the Sterling Municipal Light Department hereby agrees to join together with the Massachusetts Municipal Wholesale Electric Company ("MMWEC") and the other Participants in MMWEC's Special Project 2002A to form a municipal lighting plant cooperative to be known as the Berkshire Wind Power Cooperative Corporation ("Cooperative"); and
- (2) That the Board hereby approves and the General Manager is hereby authorized and directed to take any action deemed necessary or advisable to carry out the purposes of this vote, including but not limited to execution of a Berkshire Wind Power Cooperative Agreement with MMWEC substantially in the form of the draft Berkshire Wind Power Cooperative Agreement attached to this vote and made a part of the record of this meeting; and
- (3) That the Board hereby approves and the General Manager is hereby authorized and directed to take any other action or execute any other documents necessary to effectuate the purposes of the Berkshire Wind Power Cooperative Agreement, including but not limited to execution of a Berkshire Wind Power Purchase Agreement substantially in the form of the draft Agreement attached to this vote; and
- (4) That the Board hereby approves and authorizes the General Manager, to execute any other documents or take any other actions necessary to effectuate the financing of the Berkshire Wind Power Facility by the Cooperative; and

(5) That any actions previously taken by the General Manager which are consistent with the purpose of this vote are hereby ratified and confirmed.

I further certify that the above vote was taken at a meeting open to the public; that notice stating the place, date and time of the meeting was filed with the (City)(Town) clerk and a copy thereof was posted in the office of the (City)(Town) clerk or on the principal official bulletin board of the (City)(Town) at least 48 hours, including Saturdays but not Sundays or legal holidays, prior to such meeting and remained so posted at the time of the meeting; that in connection with the above vote, no deliberations or decisions were taken in private or executive session; and that the official record of the meeting was or will be made available to the public, all in accordance with G.L. c. 39, §23B, as amended.

Dated: March 25, 2008



(Secretary) (Clerk) of the Sterling Municipal Light Board

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