

Capital Improvements Committee Meeting Minutes

Water Pollution Control Facility Conference Room

34 Greenfield Rd., Montague, MA 01351

3:00pm Wednesday, January 17, 2017

Meeting called to order at 3:10 PM. Attendees included Capital Improvement Committee (CIC) members Fred Bowman, Greg Garrison, Josh Lively, Bob Obear and Steven Ellis, as well as GMRSD Liaison Michael Langknecht and WPCF Superintendent Robert McDonald.

Review and approval of minutes

Minutes were not available for review.

Discuss capital articles and plans related to the Water Pollution Control Facility

Mr. McDonald presented information regarding a proposed solar installation at the Water Pollution Control Facility (WPCF). This would be a 200kW solar photovoltaic array that would be Town-owned and sited on Town land next to the WPCF. An engineering study done with a state technical assistance grant indicates the total project cost would be \$521,000, with a state "Gap II" funding grant providing \$150,000 of that cost, reducing the cost to the Town to \$371,000. A third party would be hired to manage the system.

Mr. McDonald explained that in the best case scenario of 100% sun exposure, annual energy savings would be about \$32,000 with "SMART" program incentives provided to the state resulting in another \$64,000 in savings, resulting in a payback of the Town investment in just under four years. A reduced sun exposure scenario of 60%, which is possible, would increase the ROI period to about 6 ½ years. In addition to the importance of the level of sun exposure, which is unlikely to be ideal at this site, the availability of SMART program incentives, which are just now being defined and will decline over time are critical. These incentives drive annual savings and manifest as lost savings if the project is delayed.

The CIC Had suggestions for Mr. McDonald:

- Mr. Obear requested he check with the consultant to ensure they factored prevailing wage into their construction estimate.
- Mr. Garrison noted that interconnect costs can be very high and suggested that any contract needs to have an out clause in the event that interconnect or upgrade charges are excessive. He also noted that the Town should have an engineering contract as a first phase in any project.
- Mr. Garrison suggests Bob find out the cost of the inverter, which may need replacement after 15 years and is an expensive capital item.
- Mr. Garrison agreed to work with Bob to help him consider technical elements of the proposed facility.
- Mr. Ellis asked that the consultants update the financials to reflect the actual SMART incentives, probably with Block 2 3, 4 as our scenarios.

According to Mr. Garrison, these arrays lose about 0.5% efficiency each year, capping their life expectancy at about 30 years. There is no decommissioning fund proposed in the present plan. Panels could be upgraded over time. The SMART incentive will be released in 8 blocks, each with a declining value of incentive. A schedule is available.

Long Term Capital Plans

Mr. McDonald discussed the financial challenges associated with reduced revenues and increased sludge disposal expenses in the wake of discontinuance of the Montague Process and this and like future budget years, sharing a vision for reducing costs through initiatives such as the PV installation, development of a co-digester with Greenfield, further composting, pump station automation, and possibly bringing Millers Falls sewer outflow to Montague at the close of the current agreement in Erving, which is several years in the future.

Mr. Garrison noted that the SCADA and pump station upgrades seem to be the quick hits and that it makes sense to target automation. Other proposed projects will take much more time to realize and a great deal remains to be seen about each.

Finalize departmental meeting schedule and questions for all capital articles

The committee asked Mike Langknecht to confirm availability of school administrators for the next meeting, to be held Wednesday January 31st at 2:30 pm at Town Hall.

Not Anticipated

The Board moved to affirm its previous recommendation to support the Special Town Meeting article to repair or replace the Shea Theater's upper roof at a cost of up to \$49,000. Mr. Obear moved, Mr. Lively seconded. Motion passed 5-0.

Meeting adjournment

Mr. Bowman moved to adjourn at 4:30 pm and Mr. Obear seconded. Motion passed 5-0. The group declined to take the planned facility tour in light of the weather and time.