

Capital Improvements Committee Meeting Minutes

Montague Town Hall, First Floor Conference Room

One Avenue A, Turners Falls

2:30pm Wednesday, February 28, 2018

Meeting called to order at 2:35 PM. Attendees included Capital Improvement Committee (CIC) members Josh Lively, Bob Obear, Greg Garrison, and Steven Ellis; GMRSD's Jim Huber, Tina Muhaney, Mike Langknecht; Bob McDonald, superintendent of the Montague WPCF; and Pam Hanold, Montague Energy Committee. Mr. Garrison chaired the meeting in Mr. Bowman's absence.

I. Review and approval of minutes

- Mr. Lively moved to accept the minutes of January 31 and February 14 as presented, Mr. Ellis seconded. Motion passed 3-0 (Mr. Obear had not yet arrived).

II. Discussion of Water Pollution Control Facility Capital Requests

WPCF Solar Array (\$521,000/\$371,000)

Mr. McDonald provided an update regarding the state Gap II grant he submitted that could provide \$150,000 of the total \$521,000 proposed cost of the project. He feels we are well positioned to receive the award, but unlikely to know until late March at this point. Mr. Ellis noted that the remaining \$371,000 of the expected total project cost would likely be raised through borrowing over a 20 year period, such that the return in electricity savings would offer a positive return on a year to year basis and in the immediate term.

Mr. McDonald provided updated figures based the project falling into Block 1 of the SMART program, which would provide a .21 cent kw hour generated. Mr. McDonald provided data prepared by JK Muir Consultants suggesting the array would result in \$56,000 in revenue through the SMART incentive, coupled with \$31,823 in cost savings for electricity we would no longer have to purchase for the WPCF. In total, this would result in an annual return of \$87,823 from the project. Assuming the worst case scenario, that the grant is not received, this would result in about a six year pay off, if we are in Block 1 and sub exposure is optimal. It was noted that savings and revenues could vary by as much as 30%.

Mr. Garrison provided a summary overview of some of the considerations associated with solar fields, including unknowns related to interconnection and maintenance fees, and explained that the panels are typically warrantied for 25 years, but likely to last 30, with the racking system guaranteed for a lifetime, allowing upgrades. Mr. McDonald noted that over time we will need to account for maintenance and upgrade costs, but that is far in the future. Mr. Garrison expects a new inverter, one of the most expensive system components, would last 15-20 years and cost approximately \$35,000 - \$45,000. Mr. McDonald noted that his plant in Medfield also built a solar array and purchased a warranty that came in handy when their inverter failed in the first few years of operation.

Mr. Garrison and Mr. McDonald acknowledged variables that could affect the economics of the project, including whether the grant comes in, what the costs of site work prove to be, what level of sun exposure the project will have, and what SMART block we fall in. The hope is to be in the 200 kw/h range. Mr. Garrison feels we are more likely to fall into Block 2, but the incremental decrease is modest (charts provided show that Block 1 offers a 21.4 cent incentive and Block 2 offers 20.6 cents). Mr. Garrison emphasized that this

WPCF Alarm and Control Panel Replacement (\$25,000)

Mr. McDonald noted that this project would replace the control panels in the Town's aging Denton Street and Montague Center Pump Stations. To get full value from the Town's mission control system, they need to upgrade the current tube-based system to modern standards. He feels upgrading the control panels and other elements of our pump stations is preferable to building new stations at a cost of \$2-3M as was done recently. Mr. Ellis asked whether these improvements will bring all our stations up to good operable condition. Mr. McDonald replied that Montague Center pump station may need full replacement in the future, but that should not delay this improvement. The new control panels and SCADA are an absolute necessity as they provide an ability to monitor the stations remotely, which will be required when the plant reduces staffing levels in the next fiscal year. Mr. Ellis requested that he provide a full list of pump stations and their condition for consideration by the CIC at a future meeting.

III. Discussion of Gill-Montague Regional School District Capital Requests

Upgrade of TFHS Building Management System (\$72,000 cost to Montague)

Ms. Huber reminded people of what the Building Management System is and the need to update its network control units and related software to ensure continuity of services over the long term. The manufacturer of the system's current network controllers is no longer supporting them and while we can get spares, they are harder to come by and the system is vulnerable. The new system will integrate all building operation systems, as well as allow for data monitoring and trends analysis.

The most cost effective and suitable product to purchase is SmartStruxure, a product from Schneider Electric. The system costs \$64,480, plus a likely \$10-15,000 in programming and equipment fees to integrate the new system with software from Trane that is in use in one part of the building. He can't get a full quote from that provider until other decisions are made and implemented, but feels the total ask of \$80,000 is the best available estimate of what the project will require, with 90% of that attributable to Montague based on its population split with Gill. Mr. Ellis asked whether they've discussed this capital project with Gill and Mr. Huber indicated that they are ready to fund it if Montague does.

Intercom System at Sheffield (\$30,000) and Hillcrest (\$25,000)

This includes two articles, including \$30,000 for Sheffield and \$25,000 for Hillcrest. Mr. Huber re-stated the need for these improvements as a matter of public safety and efficient in-building communication. In response to Mr. Lively, Ms. Muhaney stated that this wifi system would be more flexible and cost efficient than the existing hard-wired system. At this time, they only have equipment costs and do not have all the details of installation, including electrical work, which they hope Franklin County Tech School can help with. Mr. Huber noted some of the constraints associated with having building staff handle elements of the upgrade themselves, citing union contracts as a complicating factor. Ms. Muhaney indicated she would try to work on those complementary quotes after Mr. Garrison emphasized that it would be helpful to have the installation costs nailed down.

IV. Voting and Prioritization of Capital Requests

The committee undertook voting of each requested article, with votes focused on whether or not to recommend each project to the Finance Committee for funding in FY19.

- Mr. Obear moved to recommend funding for the Council on Aging's "Front Entry Replacement" project at a cost of \$27,816, with Mr. Lively seconding. Motion passed 4-0.

- Mr. Garrison moved to recommend funding for the Department of Public Works “Discretionary Account” at a cost of \$100,000, with Mr. Lively seconding. Motion passed 4-0.
- Mr. Ellis moved to NOT TO recommend funding for the Department of Public Works “Town Hall Annex Roof” project at a cost of \$85,000, with Mr. Lively seconding. Motion passed 4-0. Explanation for rejection of this article is that there were concerns regarding the quality of quote received and a consensus among CIC Members that it makes more sense to see what happens with the DPW building project and what that means for future use of the annex before committing to a specific course of action. Mr. Langknecht noted that MCTV might seek to lease and renovate the space if available.
- Mr. Garrison moved to recommend funding for the Gill-Montague Regional School District’s “Building Management System Upgrade” at a cost of \$72,000, with Mr. Ellis seconding. Motion passed 4-0.
- Mr. Ellis moved to NOT TO recommend funding for the Gill-Montague Regional School District’s “Administration Building Elevator Study” at a cost of \$100,000, with Mr. Obear seconding. Motion passed 4-0. Explanation for rejection of this article is that there were concerns with the quality of the bid quote, but more importantly with uncertainty as to the larger building project such a direction would require. Believed much additional consideration and study is required before beginning this study.
- Mr. Garrison moved to recommend funding for the Gill-Montague Regional School District’s “Sheffield and Hillcrest InterCom” projects at a cost of \$30,000 and \$25,000, respectively, with Mr. Lively seconding. Motion passed 4-0.
- Mr. Garrison moved to recommend funding for the Water Pollution Control Facility’s “Control Panel and Alarm Repair” project at a cost of \$25,000, with Mr. Obear seconding. Motion passed 4-0.
- Mr. Garrison moved to recommend funding for the Water Pollution Control Facility’s “Solar Array” at a cost of \$521,000, with Mr. Obear seconding. Motion passed 4-0. Mr. Garrison noted some concern about the estimates for this project, as they often change as you move from plan to design and construction, but believes it will generate positive revenues in any event.

The total cost of the above project would be 279,816, which is within the \$308,548 PAYGO budget target provided by the Finance Committee. In considering the relative priority of projects there was consensus that for those items likely to come from general fund revenue (excluding the WPCF solar array, which is expected to come from borrowing), the order of priority would be:

- COA Front Entry Replacement
- DPW Discretionary Account
- GMRSD Building Management System Upgrade
- GMRSD Sheffield School InterCom Replacement
- GMRSD Hillcrest School InterCom Replacement
- WPCF Control Panel and Alarm Repair

V. Unanticipated Business

Montague Energy Committee Liaison to CIC

Pam Hanold of the Montague Energy Committee attended the meeting to ensure better communication between the groups. Mr. Ellis suggested it would make sense to have regular representation from that committee, as we do from the GMRSD School Committee. He further suggested that a MEC member would be welcome on the CIC as a voting member and would resign his seat to facilitate such a development. Mrs. Hanold will bring this information back to the MEC.

Late Article Coming for Colle Building Renovations

Mr. Ellis explained that a Mass Historic Preservation Grant is now available and the Colle Building would be eligible for funding through that program, with a 50% match possible. He noted that Mr. Obear has been working on a detailed quote for window and masonry restoration, along with local architect Chris Sawyer, who specializes in historic building projects. We will hear more about this at our next project. The Town has a Special Revenue Fund for the Colle, which would be the Town source. This fund can only be used for that building and currently has about \$346,000 in it. We think the project may come in around \$200,000. We are not sure the state will fully fund its 50% match.

VI. Meeting adjournment

Mr. Ellis moved to adjourn at 4:45 pm and Mr. Obear seconded. Motion passed 4-0.