

**MINUTES OF THE TOWN OF CHESHIRE WATER POLLUTION CONTROL
AUTHORITY REGULAR MEETING HELD ON WEDNESDAY, FEBRUARY 22, 2017,
AT 7:30 P.M. IN COUNCIL CHAMBERS, TOWN HALL, 85 SOUTH MAIN STREET,
CHESHIRE CT 06410.**

Present

John Perrotti, Chairman; Steve Carroll, Vice Chairman, Matthew Bowman, Ken Cianci, Tom Scannell, James Sima.

Staff: Walter Gancarz, Town Engineer; Dennis Dievert, Superintendent WWTP

Chairman Perrotti called the meeting to order at 7:30 p.m.

PLEDGE OF ALLEGIANCE

The Group Pledged Allegiance to the Flag

ROLL CALL

The clerk called the roll and a quorum was determined to be present.

Chairman Perrotti read the emergency evacuation notice.

1. PUBLIC COMMUNICATIONS

a. Letter received from Marjorie Narducci, dated 2/10/17

b. Letter sent to Nosal Builders, dated 1/31/17

In this letter, Mr. Gancarz informed Joe Nosal that the fee structure for a 1" meter is \$9,250. Therefore, there is a balance due of \$5,550 from the permit fee for a 5/8" meter.

c. Letter sent to Attorney Anthony Fazzino RE: Sioris Facility dated 2/7/17.

Mr. Gancarz advised Attorney Fazzino that the trampoline park has approval to "heat" foods on site. There is no approval to prepare foods on site that require cooking, frying, etc. Any plans to prepare food is subject to an application and action by the WPCA.

Supt. Dievert said that Cheshire is notified when a food permit is pulled and an inspection takes place.

2. APPLICATIONS

a. None

3. PROJECTS

a. AECOM invoice #37874814 dated 2/10.17 in the amount of \$9,209.84.

MOTION by Mr. Scannell; seconded by Mr. Carroll.

MOVED that the WPCA approves payment of the AECOM invoice #37874814 dated 2/10.17 in the amount of \$9,209.84.

Discussion

Mr. Gancarz stated that he has received the cost to complete. He has also reviewed the invoice which is mostly for record drawings, \$8,500, and recommends it for payment.

VOTE The motion passed unanimously by those present.

b. Cost to Complete (no report)

Information has been received from AECOM, and Mr. Gancarz cited two things. Timing wise they expect to be done at the end of April. The main item to finish is the record drawings. The O&M Manual has been reviewed by Mr. Dievert who offered minor comments and some modifications. There is some time left on the PCBs; the final closure report is being submitted to EPA; and items are being closed out with DEEP.

There is about \$120,000 left; it is expected to spend \$89,000; balance left of \$31,000, plus another \$1,000 for total of \$32,000 which will cover finishing the project. There are some legal fees to be paid for execution of the grant and loan with the State, which would close before July 1st. Legal fees will be about \$32,000.

There was an intermediate closing in Fall 2016 and Mr. Gancarz said the Town received the \$7 million for phosphorous. There could have been an end of year closing to lock up these funds, or wait to have one closing in June. There was a WPCA concern that based on the overall financial status of the State, it was better to have the interim closing and lock up the funds in the agreement.

c. Contingency Status (no report)

\$32,000 contingency.

4. SUPERINTENDENT'S REPORT

a. Status of Plant Operations

Supt. Dievert reported that the plant is running excellent right now. Phosphorous start up on April 1st; start up UV system in May; adding chemicals and getting disk filters running; all set for both and ready to go. Flows are low; there are no issues; it is 2.5 million.

5. TOWN ENGINEER'S REPORT

a. Cook Hill Pump Station

The Elim Park funds (\$150,000) being used for the work; it is being done in pieces; there is a certain amount of electrical upgrades to be done; there is integration of those with Supt. Dievert and staff and outside contractor. Goal is to get the final price and get the project done in the next three months. This will expend all the funds available. This station will be a capital request this summer.

b. West Johnson Pump Station

AECOM expects to have bid documents will be ready in April; bids received in mid-June; and contractor ready to go in late July or early August. This is a 12 month project, and Mr. Gancarz said 90% of the drawings are done.

Mr. Gancarz reported he appeared, along with other Town staff, in court in January on the CCI lawsuit. Final briefs are being filed with the court next month; final arguments before the Judge at the end of March; and the Judge has six months for his decision. It was noted by Mr. Gancarz that Supt. Dievert did an excellent job in his presentation on the lawsuit.

6. NEW BUSINESS

a. Chesprocott Letters dated 1/20/17 and 2/15/17

Supt. Dievert reported there were no issues; two septic tank replacements and one system replacement.

b. Presentations by Solar City and Davis Hill Development

Moved in the agenda to follow "c".

c. Other new business of the WPCA.

Chairman Perrotti stated that following the last meeting he received feedback from Authority members on the topic of the WPCA having engineering representation at the table for every meeting. The question was why the engineer of record, building the plant, was sitting at the table, when other engineering firms or people presenting to the Authority or have business with the Town do not sit at the dais. It is almost perceived as a conflict.

The Authority members discussed this issue and Mr. Perrotti asked to poll the members on their feelings about AECOM's engineer sitting at the table with them. The Board has great capability, and if outside resources are needed, they can be gotten when needed.

An issue was raised by Mr. Sima about proper notification for a new business item on the agenda, and asked that the issue be specifically stated.

Chairman Perrotti noted that he did not include specificity because the issue is not an action item, but discussion and consensus of the Authority members.

Mr. Scannell feels strongly that no one not an Authority member and staff should be sitting at the table. If an engineer wants to attend the meeting they can sit in the audience at a public meeting. Putting an engineer at the table gives the person more authority over other engineers who want to put business before the Authority.

Mr. Carroll assumes AECOM's time is always billable, and said if an engineer is required they can be invited to attend a meeting.

The Authority members were advised by Mr. Gancarz that AECOM does not bill for meeting attendance.

Mr. Bowman concurred with having an engineer present should on an as needed basis. Over the years the WPCA has had other professionals with services to the Town, on a no-bid basis. This goes back to the Metcalf & Eddy days before the merger with AECOM. Mr. Bowman was shocked when the \$32 million plant expansion had PCBs found, and no one ever did a design on that plant except Metcalf & Eddy. Don Chelton represented both companies. When Mr. Bowman questioned why the Town continues to use AECOM on a no-bid basis, the answer was because they know the plant and situation at the site. It is less expensive to use a company familiar with the facility than have someone try to learn. He also questioned why M&E/AECOM, at that point, who had inspected everything at the plant from the day of its conception, did not know about the PCBs. They could not have prevented it, were not responsible for it, but when the AECOM representative was asked about the PCBs, he became forceful and defensive. If the engineering company does not know what has happened in the 50 years of our plant then we need to go out, time to time, for an RFP and find out if there is another engineering firm that could do as well for less cost. This is the fiduciary responsibility of the WPCA.

Chairman Perrotti stated that the Authority needs to make sure it is running the Town business in a responsible manner. Having a specific individual at the table gives the wrong impression of the Authority being potentially in partner...and this has been expressed to him by members.

Looking back at minutes over the last several years, Mr. Bowman noted the AECOM representative has stated many times that the WPCA could not change the facility plan or add to the plan because it would jeopardize the Town's ability to receive State funding. This has been found to be incorrect, and an engineer should not give legal advice. It is embarrassing for him to come to the table at the last meeting, place his briefcase and paper work on the dais, and then speak as a individual, a private citizen, who does not live in Connecticut or Cheshire. This was an embarrassment to the WPCA.

Mr. Cianci stated his agreement with the comments and statements that have been made. He believes the Authority members share the same thoughts as well.

This matter is not a voting issue, but a procedural item, and Chairman Perrotti instructed the Town Engineer to inform AECOM that their services will be requested, when appropriate. The firm will be given ample time for preparation, and when attending a meeting the engineer/representative will sit as a member of the public.

Mr. Sima stated this is an action and should be postponed to the next meeting for a vote.

Mr. Bowman said this is the responsibility to the taxpayers...to spend a little money as possible for engineering services.

b. Presentations by Solar City and Davis Hill Development

Sam Wahab, Project Manager of Davis Hill Development and Patrick Lewis, Owner of All Electric Construction & Communication LLC, presented the proposal for the WWTP.

Town Engineer Gancarz explained that an RFP went out a few months ago. There is a limited amount of space designated for solar at the plant -- the Operating and Dewatering Buildings and the former Lagoon area which is filled in as part of the plant upgrade. The proposals will inform the WPCA on what can be done at the plan which requires no up front cost from Cheshire. The developer provides the design, installation and maintenance of the solar, with the Town required to purchase power over a 20 year period from the solar companies. The rate is either a fixed rate or variable rate with an escalator.

The Authority members were given a packet on the proposal.

Davis Hill Development (DHD) has a partnership with All Electric; the company is privately held; was founded in 2008; has six (6) employees dedicated to solar PV in Connecticut; and recently moved to Greenwich CT.

All Electric is a contracting company; it performs all the installation work on the solar arrays at the Plant; the company is based in West Haven CT; and has a history of performing municipal work in the State on projects similar to Cheshire's treatment plant.

Page 4 - Pricing Assumptions - term is 20 years; PPA Price: \$0.066/kwh with a 1.5% escalator.

ZREC Assumptions - the application will be for a price of \$90 for a medium ZREC, and Mr. Wahab and Mr. Lewis are confident this will be awarded. They have a 98% success rate with ZREC. DHD has one person who is director of ZREC monetization (David Erner) and he has great experience in the process.

Page 5 - Photos of DHD projects, all ZREC financed projects. Mr. Wahab stated DHD has not done a treatment plant project to date. Mr. Lewis stated he is familiar with the electrical system at the treatment plant.

Page 8 - WWTP Site Summary - ZREC incentive has not yet been awarded but Cheshire will apply for a medium ZREC of \$90 which allows building an array with installed capacity between 100-250kw. The information shows first year expected output kwh of 320,900; system size kw DC of 253.50. There are not installation costs to the Town, and no operation and maintenance costs. Green Bank will be used for financing; this company can finance any project; municipalities can assume their own financing, but do better with Green Bank.

After 20 years the Town can buy the array and then there is no charge for power, and it is responsible for operation and maintenance. Or, the Town may want different solar panels; or remove the panels from the plant at no cost to the Town.

The oldest age of a current DHD solar array system is about 12 years.

Installation - two (2) roof mounts; the roof structure is checked to insure it can handle the load; it is a non-penetrating ballasting system. 30% to 40% of the projects need upgrades which is paid by DHD; there is a contingency in the project budget; if a situation is unique there could be some costs to the Town.

Page 13 - Energy Analysis - the combined rate is \$0.135 all in per kwh; D/T is \$0.054; the company will offset 13.4% of the plant usage; the plant currently uses annual kwh of 2,393,280.

Page 14 - First Year Utility Bills (example) - before solar the annual cost is \$324,023; electric bill after solar is \$301,881; 7% savings per month; \$22,000 savings per year.

The solar panels have a 25 year life span; over 20 years about 87% of panels need replacement; with a panel down the rest of the array continues to work; it is to the benefit of DHD to insure the panels work. If there is a significant problem there is an alert within two (2) hours to DHD and All Electric, and everything is done to make sure the full array is up and running with 24 to 48 hours. DHD and All Electric take pride in their customer service and turn around time of service.

Page 17 - PPA Savings - the chart calculated savings out from year #1 to year #20, for a total 20 year savings of about \$487,191. There is a 1.5% annual price escalation.

Pages 18-20 - The townwide portfolio analysis/solar feasibility study is done by DHD at no cost to the Town. DHD inspects roofs and structures, surrounding areas for damage or anything that would limit the potential for solar arrays. Upon completion of the analysis a report is submitted to the Town.

DHD provides free education programs; will furnish and install TV monitoring systems in the buildings if requested; for schools and libraries, students and faculty can see a solar PV system display, performance data, coupled with educational content. System data is upgraded every 5 minutes; it can be on the town's web site.

Page 21 - The next steps include completion of final engineering and design; assist Town in finalizing PPA agreements and other documentation for interconnection and permitting; and construct projects.

Mr. Gancarz asked about DHD experience in working with utility companies on projects.

According to Mr. Lewis the companies are familiar working with utilities, and with the treatment plant he sees no unforeseen issues. Every array has a separate connection.

The schedule from inception to completion of the project was raised by Mr. Gancarz.

Mr. Lewis said the total time frame is 6 to 8 months for project completion. He and DHD have a history of working with towns and cities, and ALL Electric currently has a bid for the generator at the high school. ALL Electric has a 20+ year history, experience and expertise in this environment, does quality work and provides a quality product.

On the financing side, DHD is looking to build a relationship with Cheshire for future solar projects, will do a good job, and be very responsive to the Town. Mr. Wahab advised that Connecticut municipality references have been submitted.

The Authority members were asked to submit questions to Mr. Gancarz. No action is being taken at this meeting on this agenda item.

Chairman Perrotti thanked DHD and ALL Electric for their presentations to the WPCA.

The WPCA recessed at 8:15 p.m.; the WPCA reconvened at 8:20 p.m.

Solar City - Sarah Hill, Sr. Project Development Manager, gave the company's presentation to the WPCA. She gave a brief summary of Solar City's history - 10 year's experience, 27 states with installations, 90 operation centers, \$9 billion of solar projects, 10,000 employees. Solar City has two Connecticut regional centers, Milford and Rocky Hill, 250 employees in Connecticut, partnerships with 10+ municipalities, 100% ZREC win rate in 2014 to 2016; every project bid went to contract; and got the best price for savings.

ZREC - in 2017 the range is \$69 high bid; \$63 is the safe range to insure ZREC financing; \$57 is the lowest range.

Solar City and Cheshire would have a 20 year power purchase agreement. There are two rates in the proposal, 0% flat rate 7.6 kwh; 1% escalator at 7.1 kwh; first year savings of \$5,000 to \$6,000; 20 year savings of \$197,336. Demand is not included in the calculations.

Solar City has worked with the City of New Britain, City of New Haven, Town of Glastonbury and Yale University. The company has many residential homes with solar panels.

The solar array for the treatment plant would be a ground and roof mounting; total of 157 kw among the three arrays of two (2) rooftop and one (1) ground; they are 335 watt panels, the higher range in the market. Solar City uses tier #1 vendors for its projects; is opening a new factory for solar panels in Buffalo, NY.

O&M Program - Solar City has ownership of the array; provides operation and maintenance; there is a monitoring system which the Town has access to; response time for problems or issues 24 to 48 hours; it is in the best interests of the company to keep the system up and running; and all costs are paid by Solar City. With a power outage the solar panels are mandated by the utility company to go out as well, and there is no generator power to the panels.

Financing - Solar City has partnered with many firms for financing; the company has financed \$9 billion worth of solar financing; PPA has been accepted by banks; the company does not bid on projects which cannot be financed.

The oldest municipality with solar panels is Glastonbury with 6 years of solar system. The company has permitting experience in Cheshire, with many residential solar systems. Solar City has wastewater installation in New Britain and Windsor CT and more than 100 systems in other areas of the country.

After the end of the 20 year agreement, Solar City's contract default is to take the system down; the contract can also be extended for two additional five year terms; at years 6, 10 or 20 there is a buyout option for the Town.

Maintenance and System Goes Down - this was discussed and Ms. Hill said it rarely happens; if it occurs the system will be up and running again in about 24 hours; and the entire array does not shut down.

Degradation scaling is done over the course of 20 years and is factored in going down at 10% over 20 years. There is a power guarantee and degradation is factored into this, and there is a performance guarantee attached to the plan.

Site Training at plant for staff was raised by Mr. Gancarz.

In reply, Ms. Hill said Solar City provides training for one or two points of contact designated by the Town. There is training on the array and for emergency services.

With regard to the multi buildings and ground array proposed, getting back to the main meter, Mr. Sima asked if Solar City takes care of all the underground utilities, works with staff to insure there will not be a service interruption.

Ms. Hill said Solar City will need to arrange interruption of service to do some testing and turn on the system...this is arranged with the staff at the plant.

The interconnection agreement was raised by Mr. Gancarz, who asked about the difference between the treatment plant system and the land fill system, and any issues.

Ms. Hill said there are no issues; it is straight forward; there is no cost. With the proposed system there might have to be a panel upgrade if the plant's electrical system is quite old. This is looked at before starting the project.

Schedule - the ZREC option begins in the spring; the announcement is two months later by the end of June; and everything is up and running in 6 to 9 months. ZREC numbers are trending down; they went up last year; and this year they are going back down gradually. Ms. Hill said the difference between the land fill and treatment plant is that the landfill is in the large category, while the treatment plant is in the medium category.

Solar panels improve over the years, and Mr. Scannell asked about the new plant opening in Buffalo, providing new technical advantages to be used as a selling tool.

Ms. Hill said they will be one of the most efficient modules; will be made in the USA when other panels are made in China; it will be highly competitive with the other two modules out there, and have higher wattage, 345-355. Ms. Hill said Solar City can provide a site plan and wiring into the meter to the Town.

With regard to the ZREC financing, Mr. Gancarz stated this funding is a subsidy, i.e. \$60 ZREC. If this was not in place, he asked about the impact on the cost of the project.

According to Ms. Hill the array at the treatment plant might break even.

Mr. Gancarz noted there are more economics on which to make a decision this year rather than put it off in order to participate in the ZREC auction at the end of April.

The Authority was informed by Ms. Hill that with ZREC funding the Town can choose when the contract starts, and Solar City usually chooses the latest date for the project, i.e. October 2019 for the treatment plant.

Chairman Perrotti thanked Ms. Hill for her presentation.

The information submitted by the two presenters will be reviewed and digested by the WPCA members. Mr. Gancarz advised that the Authority will work with the Council for approval of the power purchase agreement, and he will inform the Energy Commission of what is ongoing. He will also check municipality references for both companies.

Supt. Dievert will check with the New Britain treatment plant superintendent, and possibly get a tour of the facility to look at its solar panel system.

7. OLD BUSINESS

a. Other Business of the WPCA

8. APPROVAL OF MINUTES

a. Regular Meeting held January 25, 2017

b. Public Hearing held January 25, 2017

MOTION by Mr. Bowman; seconded by Mr. Scannell

MOVED to accept and approve the minutes of the Public Hearing of 1/25/17 subject to corrections, additions, deletions.

Correction and addition: Page 8 - Marjorie Narducci. Add: Mr. Perrotti asked Mr. Bowman to not respond to this question.

VOTE The motion passed unanimously by those present.

MOTION by Mr. Scannell; seconded by Mr. Bowman

MOVED to accept and approve the minutes of the Regular Meeting of 1/25/17 subject to corrections, additions, deletions.

VOTE The motion passed unanimously by those present.

9. ADJOURNMENT

MOTION by Mr. Bowman; seconded by Mr. Scannell.

MOVED to adjourn the meeting at 8:57 p.m.

VOTE The motion passed unanimously by those present

Attest:

Marilyn W. Milton, Clerk