

**ENERGY COMMITTEE**  
**TOWN OF SOUTH WINDSOR**

**Minutes**

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**September 20, 2016**

**Madden Room – South Windsor Town Hall**

**1. Call Meeting to Order**

The meeting was called to order at 4:36 p.m.

**2. Roll Call**

Members Present: Larry Brown, Resident  
Hank Cullinane, Resident  
Mike Gantick, Director of Public Works  
Athena Loukellis, Resident  
Richard Stahr, Board of Education  
Sherman Tarr, Resident  
Stephen Wagner, Resident

Members Absent: Richard Grigorian, Resident  
Patrick Hankard, Board of Education  
Councilor Edward Havens, Town Council  
Deputy Mayor Carolyn Mirek, Town Council  
Councilor Janice Snyder, Town Council

**4. Next Meeting**

The next meeting is scheduled for Tuesday, October 11, 2016.

**6. New Meeting**

**A. LED Streetlights Update**

**a. Update**

Mr. Gantick reported that since the last meeting, the net book value from Eversource has expired and the Town will have to start all over again. The Town should have the value this week and is in the process of finalizing the contract with Ameresco. The financial component is also being worked on. The Town has engaged in conversations with our insurance carrier to make sure the lights will be the Town's at some point and has also discussed the liability. The Town is about one month away from closing on the lights. There were a couple decorative lights missing, but were addressed by the Town Attorney and the Counsel for

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**ITEM:**

**6. A. a. (Continued)**

Eversource. It was indicated that everything will be reconciled during the process when the Town is replacing heads. Once the Town takes over the inventory of lights, the Town will have a real inventory of what the Town owns.

Mr. Jim Daley from Ameresco explained to the Energy Committee that in the spring there was a GIS inventory done of what looked like a light. The location, pole #, and fixtures were documented which are being paid for by South Windsor. During construction, the same thing will be done again and at that time, discrepancies will be addressed.

Mr. Wagner added that some of the electric bill is actually being paid for by the State.

Committee members stated that it is their wish that the Town have an accurate inventory with the appropriate charges going to the correct entity.

Mr. Wagner explained that included in the packet is a letter asking for the inventory and the net book value, as shown in attached **Exhibit A**. Mr. Daley has sent the Town the whole bank application for the financing and printed out the one page with the amortization schedule, as shown in attached **Exhibit B**.

Mr. Daley stated that the Committee has requested a 10 year amortization schedule even though the energy savings will pay for this activity in less than 5 years. The project will have an excess cash flow that can be used for additional energy activities in Town. Mr. Daley felt that it would be in the Town's best interest to use Bank of America for this project, but if the Town wishes, the Town could decide on a different institution.

Mr. Gantick explained that there is a one year performance guarantee on the lights after Ameresco puts them up and a 10 year warranty on the equipment. The Town will have to look at the ongoing maintenance. Council discussed setting up an account so those funds are used towards other energy saving projects.

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**ITEM:**

**6. A. a. (Continued)**

Mr. Daley explained that the project could be set up where the cash flow covers maintenance for the term of the contract. Ameresco could do that for South Windsor or you can go with a different vendor. There is an established budget for on call services but poles knocked down are considered emergency services and will cost more.

Answering questions from the Committee, Mr. Daley explained that the Town is not pricing various spares into the current cost. South Windsor has not drafted a maintenance contract at this time. Mr. Daley then explained that as soon as the Town closes the loan, the financial institute chosen will give South Windsor \$1.5 million dollars. South Windsor will immediately write a check to Eversource for \$800,000 and then the balance will go into an escrow account.

Mr. Wagner stated that the Energy Committee will need to keep the Town Council informed about this project but the Council has already authorized the payment of up to \$1.5 million dollars and an 8-24 referral has already been done. The Energy Committee can not reduce the budget because any savings has to go into another energy project but could be put towards a school energy project. Mr. Stahr explained that there have been a number of discussions regarding energy projects.

**b. Plan for community outreach - Ameresco**

The Energy Committee discussed various ways to reach out to the community to inform them of the streetlights being converted over to LED lights. The Committee decided the following methods would be used:

- Website
- Press release
- Public Service Announcement
- Hand out to go home with children from school
- Scrolling information on television

**6. New Meeting**

**B. LED Streetlights Update**

**a. Update**

Mr. Wagner informed that Committee that the Town has been talking with a company called Lodestar. The Town Council approved for the Town Manager to write a letter saying the Town would consider taking their credits if they build the proposed facility. Mr. Jaime Smith gave an update explaining that there was a PURA Hearing which delayed Eversource issuing the Virtual Net Metering Service Agreement and the project has to go to the Siting Council for approval. Committee members reviewed the proforma, as shown in attached **Exhibit C**. Mr. Wagner stated that if all goes as planned, South Windsor would save \$1.4 million dollars.

**7. Miscellaneous**

Mr. Wagner stated he has been discussing the cost for the Town to move the Recreation Department into Wapping School with Clay Major. A consideration for the Town is the use of natural gas. Eversource is willing to put the gas line in for free if the Town does it in 2017 and replaces the boiler. One of the boilers can be converted and the other boiler would have to be replaced completely. It will cost between \$80,000 to \$100,000 to replace the boilers. If the oil tank is going to be replaced, that will cost between \$50,000 to \$75,000.

Committee members discussed the creation of an account for any savings that may occur through energy projects. Mr. Brown suggested that the Committee advocate for appropriately sized projects to enable the savings to be spent on a regular basis. Mr. Gantick stated that there is a list of projects which could be matched up with the amount that is saved.

Mr. Gantick then informed the Committee that the Town participates in a program where the Town paid \$1,000 to have Eversource notify the Town on peak demand days so the Town could run the generators.

Mr. Wagner explained that a company called Greenskies approached the Town Manger with a proposal for solar on a bunch of Town owned buildings. If the Energy Committee wishes, that proposal could be forward to the Committee.

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**ITEM:**

**8. Adjournment**

The meeting adjourned at 5:55 p.m.

Respectfully submitted,

Deborah W. Reid

Deborah W. Reid

Clerk of the Council



# *Town of South Windsor*

1540 SULLIVAN AVENUE • SOUTH WINDSOR, CT 06074-2786

AREA CODE 860/644-2511

FAX 860/644-3781

MATTHEW B. GALLIGAN  
Town Manager

September 15, 2016

Streetlight Project Manager  
Connecticut Light & Power

To Whom It May Concern:

I am writing to you with a request for information regarding the Town of South Windsor's streetlights in order to get an estimated purchase price. The items I am requesting are as follows:

- South Windsor's current streetlight inventory
- The current net book value of the lights

Thank you, for your prompt attention to this request.

Very truly yours,

A handwritten signature in cursive script, reading "Matthew B. Galligan".

Matthew B. Galligan  
Town Manager

MBG/dt

cc: Michael Gantick  
Director of Public Works

## Sample Amortization Schedule

Total Project Costs	1,499,919.00
Repayment Term (annual)	10
Interest Rate	1.97%
Closing/Funding Date (est.)	10/1/16
Average Life	5.413

Pmt. No.	Year No.	Payment Date	Funding Amount	TELP Payment Amount	Interest Portion	Principal Portion	Outstanding Balance
0	0	10/1/2016	1,499,919.00				1,499,919.00
1	1	4/1/2017		82,993.00	14,774.20	68,218.80	1,431,700.20
2	1	10/1/2017		82,993.00	14,102.25	68,890.76	1,362,809.44
3	2	4/1/2018		82,993.00	13,423.67	69,569.33	1,293,240.11
4	2	10/1/2018		82,993.00	12,738.42	70,254.59	1,222,985.52
5	3	4/1/2019		82,993.00	12,046.41	70,946.60	1,152,038.92
6	3	10/1/2019		82,993.00	11,347.58	71,645.42	1,080,393.50
7	4	4/1/2020		82,993.00	10,641.88	72,351.13	1,008,042.37
8	4	10/1/2020		82,993.00	9,929.22	73,063.79	934,978.58
9	5	4/1/2021		82,993.00	9,209.54	73,783.47	861,195.12
10	5	10/1/2021		82,993.00	8,482.77	74,510.23	786,684.89
11	6	4/1/2022		82,993.00	7,748.86	75,244.16	711,440.73
12	6	10/1/2022		82,993.00	7,007.69	75,985.31	635,455.41
13	7	4/1/2023		82,993.00	6,259.24	76,733.77	558,721.64
14	7	10/1/2023		82,993.00	5,503.41	77,489.60	481,232.05
15	8	4/1/2024		82,993.00	4,740.14	78,252.87	402,979.18
16	8	10/1/2024		82,993.00	3,969.34	79,023.66	323,955.52
17	9	4/1/2025		82,993.00	3,190.96	79,802.04	244,153.48
18	9	10/1/2025		82,993.00	2,404.91	80,588.09	163,565.38
19	10	4/1/2026		82,993.00	1,611.12	81,381.89	82,183.50
20	10	10/1/2026		82,993.00	809.51	82,183.50	0.00
				1,659,860.09	159,941.09	1,499,919.00	

## Vendor

LodeStar (85%, \$0.12 min)

System Size	2880 kWDC
Degradation	0.50% per year
Yield	1275 kWh/kWP
Production	3672000 kWh (Year 1)
Discount	15.00%
Minimum Credit Price	\$ 0.1200 /kWh
Credit price escalation	0.00% /year
Electric rate escalation	2.00% /year

Max Credit Rate	\$ 0.15436 /kWh
Initial T&D R30	\$ 0.06475 /kWh
Initial Generation R30	\$ 0.09972 /kWh

Contract Year	kWh Produced	Maximum Credit Rate	Projected Credit Rate	Credit Cost Rate	Savings Rate	Maximum Credit	Projected Credit	Minimum Cost	Credit Cost	Savings
1	3,672,000	\$ 0.15436	\$ 0.15152	\$ 0.12879	\$ 0.02273	\$ 566,810	\$ 556,381	\$ 440,640	\$ 472,924	\$ 83,457
2	3,653,640	\$ 0.15436	\$ 0.14134	\$ 0.12014	\$ 0.02120	\$ 563,976	\$ 516,411	\$ 438,437	\$ 438,949	\$ 77,462
3	3,635,372	\$ 0.15436	\$ 0.13070	\$ 0.12000	\$ 0.01070	\$ 561,156	\$ 475,125	\$ 436,245	\$ 436,245	\$ 38,880
4	3,617,195	\$ 0.15436	\$ 0.13331	\$ 0.12000	\$ 0.01331	\$ 558,350	\$ 482,204	\$ 434,063	\$ 434,063	\$ 48,141
5	3,599,109	\$ 0.15436	\$ 0.13598	\$ 0.12000	\$ 0.01598	\$ 555,558	\$ 489,389	\$ 431,893	\$ 431,893	\$ 57,496
6	3,581,113	\$ 0.15436	\$ 0.13869	\$ 0.12000	\$ 0.01869	\$ 552,781	\$ 496,681	\$ 429,734	\$ 429,734	\$ 66,948
7	3,563,208	\$ 0.15436	\$ 0.14147	\$ 0.12025	\$ 0.02122	\$ 550,017	\$ 504,082	\$ 427,585	\$ 428,469	\$ 75,612
8	3,545,392	\$ 0.15436	\$ 0.14430	\$ 0.12265	\$ 0.02164	\$ 547,267	\$ 511,593	\$ 425,447	\$ 434,854	\$ 76,739
9	3,527,665	\$ 0.15436	\$ 0.14718	\$ 0.12511	\$ 0.02208	\$ 544,530	\$ 519,215	\$ 423,320	\$ 441,333	\$ 77,882
10	3,510,027	\$ 0.15436	\$ 0.15013	\$ 0.12761	\$ 0.02252	\$ 541,808	\$ 526,952	\$ 421,203	\$ 447,909	\$ 79,043
11	3,492,476	\$ 0.15436	\$ 0.15313	\$ 0.13016	\$ 0.02297	\$ 539,099	\$ 534,803	\$ 419,097	\$ 454,583	\$ 80,220
12	3,475,014	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 536,403	\$ 536,403	\$ 417,002	\$ 455,943	\$ 80,460
13	3,457,639	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 533,721	\$ 533,721	\$ 414,917	\$ 453,663	\$ 80,058
14	3,440,351	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 531,053	\$ 531,053	\$ 412,842	\$ 451,395	\$ 79,658
15	3,423,149	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 528,397	\$ 528,397	\$ 410,778	\$ 449,138	\$ 79,260
16	3,406,033	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 525,755	\$ 525,755	\$ 408,724	\$ 446,892	\$ 78,863
17	3,389,003	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 523,127	\$ 523,127	\$ 406,680	\$ 444,658	\$ 78,469
18	3,372,058	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 520,511	\$ 520,511	\$ 404,647	\$ 442,434	\$ 78,077
19	3,355,198	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 517,908	\$ 517,908	\$ 402,624	\$ 440,222	\$ 77,686
20	3,338,422	\$ 0.15436	\$ 0.15436	\$ 0.13121	\$ 0.02315	\$ 515,319	\$ 515,319	\$ 400,611	\$ 438,021	\$ 77,298
										\$ 1,471,710

