

**Town of *Dunstable* Selectboard
Meeting Minutes
November 2, 2015
Town Hall, Dunstable, MA 01827**

Convened: 8:02 pm

Present: Kenneth J. Leva, chair, Walter F. Alterisio, Daniel F. Devlin, members; Tracey Hutton, Town Administrator; Alan Chaney, Conservation Commission; Joe Fiori, Nexamp Energy

Selectboard Reviewed & Signed the Following:

- Amortization Schedule for Snow & Ice Deficit

Open Forum

Mr. Leva spoke briefly about the purpose of the open forum and briefly outlined the evening's agenda. Seeing no members of the public in attendance the Board dispensed with the open forum.

Proposed Nexamp Net Metering Agreement

Mr. Fiori started off by introducing himself and Nexamp. Nexamp is a Massachusetts based company that started in Andover in 2007. So far Nexamp has built over 200 projects since its inception and is a top rated Massachusetts based solar developer with a strong reputation in the solar industry. Nexamp has completed dozens of net metering agreements with municipalities of all different sizes. The proposed agreement is a solar net metering agreement that would allow the town to support a solar project. Nexamp currently generates electricity which is fed back into the grid. They are then reimbursed by National Grid and as part of the process build up a stockpile of net metering credits. To monetize these credits, they sell them to municipalities. What they are proposing would amount to a 25 percent discount off the value of the credits. Their goal is to try on an annual basis to provide enough credits to offset the electric costs of the town by matching up with what the town's annual electric costs are.

Dunstable's electric costs appear to be about \$58,000 per year. Nexamp doesn't want a situation where they provide the town with too many credits so they suggest tapping into a large 3.7 megawatt array in they have in Palmer. The town uses about 200 kilowatts for public buildings. Currently Nexamp needs one to two large municipalities to take most of the credits, but they are interested in inviting smaller towns like Dunstable to participate as well. All the projects that Nexamp does are in some stage of development. In order to get to construction they have to prove to their financing partners that there is interest. As to the Palmer project, they have all the required permits and approvals to move forward. There is some General Court action that needs to happen, but they expect to see the General Court and the Governor move forward. Mr. Fiori then explained how this whole process would work for Dunstable.

From a mechanics standpoint, Nexamp would allocate 6 percent of the project to Dunstable. 6 percent of the total production would be allocated to the town accounts of the Boards choosing. The total for Dunstable covers about 12 different accounts. Every month they would provide credits that would flow to the accounts. They project on an annual basis how many kilowatt-hours the town would receive. This would look something like \$50,000 in value, and the town would pay about \$37,000. It's roughly a \$12,500 a year savings to the town. The contract would be long term, such as a 20-year period. The Board responded by expressing interest in supporting alternative energy, but inquired about whether there are options in the case of any risk for the town to opt out of the contract early. Mr. Fiori explained that the risk is rather low for the town and highlighted how the town does not own the infrastructure. As a result the town doesn't pay unless they get the credits, and the amount they pay is always at a discount. That discount is 25 percent.

The Board inquired about other towns they've partnered with. Mr. Fiori noted they've partnered with Charlton, Westford, Hubbardston, Easton, Southwick, and Hadley as well as many others. The Board inquired as to the rate those towns are paying. Mr. Fiori could not recall off the top of his head. Ms. Hutton noted she would call *Approved and adopted on 12/2/15*

those towns to see what their rates are. The Town of Easton and the Town of Southwick as well as the Town of Hadley have all recently joined Nexamp. They are all on 20-year contracts. Ms. Hutton noted that this is the fourth company she's spoken to and Nexamp is the only one so far to show interest in working with a town of Dunstable's size in this area to put an agreement in place. Mr. Fiori noted that size of the town shouldn't really matter that much, but if one town only takes so much they have to find another town to take the rest. There is, he admitted some regulatory uncertainty, but going down the line there will be changes to the program and the changes won't be as favorable for developers. Massachusetts's solar incentives are the highest in the country, which is why the discounts have been good. The Board asked whether he expects the incentives going down. Mr. Fiori noted that he does expect the Governor to favor decreasing incentives.

Mr. Fiori explained that with the decreases in cost for solar development, the Commonwealth is definitely moving towards decreasing the incentives. The projects currently on the waiting list for approval should remain under the current regulatory structure, but there will be unfavorable changes for future projects. The Board asked whether other projects done by Nexamp would affect the town. Mr. Fiori noted that this project is their number one. Their other ones are community solar which are different, but fall under a similar structure. For this project they need municipal support and interest. The sooner they are able to meet their goals the better for the project. They are currently working to be conservative, but if the rates start to go up, the projects rate goes up. If National Grid raises rates, the rates will likely move in tandem so the value of the credits should raise as well. There is plenty of room left, but the sense of urgency from Nexamp's stand point is to reach their goals fast enough to not miss out on the incentives that exist currently including Federal ones. The Board stated that this is not only about clean energy but also about saving the town. The Board is not only interested in seeing this for the municipal side, but also for residents. Mr. Fiori noted that their community solar projects could help on that side.

They would work with the town to market a specific project to the community for a community solar type deal. This could lead to discounts for residents amounting to about 15 percent. It might not be from the Palmer project (the one the town government would benefit from) but there would be an opportunity for residents to save as well. The Board was very interested in seeing a savings for both the town and residents. The Board also inquired into development of a project in Dunstable. Mr. Fiori noted that they would be open to exploring a project in Dunstable. But they are currently focused on their existing projects. Any project developed right now, even started today, would probably be more than a year off which hinders them. Given the size of the town and Nexamp's focus on their existing projects they would not likely be interested in building anything in Dunstable. The timing just doesn't make sense at this point. Nexamp has been ranked highly and Mr. Fiori stated he'd be happy to provide municipal references and reiterated that Nexamp wishes to help the town save money and bring in clean energy. He noted that should the town need more credits moving forward, it would be possible to expand the agreement, especially if the Commonwealth continues the incentives.

Ms. Hutton noted that this is planned to be online by the next financial year so it would be savings for next year's budget. The Board inquired as to why they shouldn't go to another company. Mr. Fiori explained that they are selling credits worth say, \$1 dollar and the town is paying .75 cents per. They aren't giving the town a rate per kilowatt-hour, but instead a consistent credit for every dollar. This agreement would not prevent the town from seeking additional offsets. The Board thanked Mr. Fiori for his presentation. Ms. Hutton finished off by noting that she will conduct some further research on this topic for the Board.

Amortization Schedule

The Board discussed the amortization schedule for the snow and ice deficit. Ms. Hutton explained that the schedule will be built into the town's budget and won't be required to be an article at a town meeting. The encumbering of funds for future years is a Town Accountant issue. This is being allowed for the snow and ice deficit due to the extraordinary situation that occurred last winter. The Board signed and approved the schedule, which was formally adopted by motion at the Board's most recent prior meeting. Ms. Hutton noted that this schedule has also been approved by Town Counsel.

Appointments

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Ms. Hutton started off by informing the Board that she has successfully passed all three exams for certification as a Procurement Officer. She noted that she may have to wait until July for full certification, but the Board can make a general appointment now. The Board agreed, asking Ms. Hutton to ensure notice is sent out to all the boards/committees/commissions.

Mr. Alterisio moved to appoint the Town Administrator as the Chief Procurement Officer for the Town of Dunstable. The motion was seconded by Mr. Devlin and passed unanimously.

People GIS

Ms. Hutton reported that she looked into this topic further with NMCOG. She and Ms. Stein, the Stormwater Management Consultant, agree that bang for the buck, we can't get cheaper than this deal. Ms. Hutton noted that it isn't the best or worst tool in the world, but based on her own experience it's worth the money. If we want to continue to do this, she'll have to look at the technology budget to see if we can squeeze the funds for this. The Board was in support. The cost would be about \$2,000 for the year. This would go a long way to show that the town is complying with the Stormwater requirement. She also noted that NMCOG is looking into why our waiver was denied. They are doing this because another similarly situated town was granted its waiver. The Board expressed the opinion that as long as we can reasonably fund this we should march forward. Ms. Hutton agreed, but noted that if we can get the waiver it will help.

Special Town Meeting Warrant Authorization

Ms. Hutton elaborated on the Advisory Board meeting she attended earlier in the evening. They made recommendations on the last of the articles they needed to talk about. The first of those being Article 7, which is an article that involves the stabilization fund proposed for the water department. Advisory has agreed to this article now that it has been fully reviewed and approved by Town Counsel. Advisory also approved Article 9, the elevator repair issue, on the contingency that the cost for it doesn't exceed the amount of the article. They also voted to pass the snow and ice amortization schedule and determined that as a result they would favor taking no action on Article 11. The open space article, Article 10, may also be a take no action. Town Counsel recommends leaving it on the warrant for this meeting and then taking action at the Annual Town Meeting. Otherwise the warrant remains the same. Article 3, formerly Article 4, they voted to leave as is. This article concerns \$30,000 for the Fire Department.

The Board briefly discussed the PILOT article. The article in question, Article 2, will simply grant the Board of Assessors the ability to negotiate the back taxes that are owed and the future taxes to be paid in lieu. They then turned to discussing how to approach each article and how to explain them to the town meeting. This included how to talk about the water articles.

Mr. Alterisio moved to approve the warrant for the Special Town Meeting scheduled for November 17, 2015. The motion was seconded by Mr. Devlin and passed unanimously.

Administrators Report

Ms. Hutton started off her report by informing the Board about a field trip she went on with Mr. Rider the Town Engineer to look at Alexander Way. There appears to be an issue with the earth that has been placed on the open space. This problem affects the article for accepting open space which is one of the reasons for taking no action on that article until the Annual Town Meeting. Final adoption of the open space hasn't occurred yet and Ms. Hutton intends to research the issue more before that happens. This is the primary reason for why she suggests taking no action on the article at the Special Town Meeting.

Ms. Hutton then reported on the Community Compact application. She reported that this is a quick form that the town fills out online once the town has determined its 2-3 best management areas. She also updated the Board on the Master Plan situation and touched on some other related areas. The three that appealed to the Board included maximizing clean energy, comprehensive water resource management, and sustainable development. Ms. Hutton has spoken to the Planning Board about sustainable development and the Master Plan. She will be doing further research on this and working closely with Planning Board. There was some

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discussion concerning how to start the process. Ms. Hutton informed the Board that she intends to put something more solid together. There is a minimum of two that have to be chosen. The Board determined to choose two rather than reach for three.

From that topic Ms. Hutton turned to reporting on the water system. Apparently, when the valves for the hydrants were put in, they used a "cushion" block to prevent ripples in the system that would blow out pipes. If we had two or three of these we would be able to do the switch over to the contingency without as big of a notice. This doesn't make a big cost difference, but it does make a strategy difference. DEP wants to see our plan. Therefore, the Water Commission is working with Ms. Hutton diligently to get this in place. The cushions are about \$2,500 a piece, but we only need three. The Fire Chief noted that this would help keep some of the buildings open in the event of water system failure and deployment of the contingency plan.

The Board then pivoted to discussion about Free Cash. Ms. Hutton elaborated that Free Cash is what is left over at the end of year and rolls over to the following year. The town has been using some of this cash to pay for a structural deficit. This is something that needs to change. The town has been funding reoccurring expenses with non-reoccurring revenue. This needs to change. The Board discussed how to better understand Free Cash. Ms. Hutton agreed to bring in additional information to the Board on this subject to aid them in understanding what Free Cash is and how it works.

Minutes

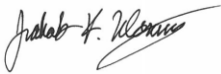
Mr. Alterisio spoke briefly with the Board about some clean up with the minutes and proposed accepting the minutes pending those changes. The Board as a whole agreed.

Mr. Alterisio moved to accept the minutes, pending the agreed changes, for the joint meeting with the Water Commission on October 14th. The motion was seconded by Mr. Devlin and passed without objection.

Mr. Alterisio moved to accept the minutes, pending the agreed changes, for the normal meeting of the Board on October 14th. The motion was seconded by Mr. Devlin and passed without objection.

A motion to adjourn at 9:10 pm was made by Mr. Devlin and seconded by Mr. Alterisio. The motion passed unanimously.

Respectfully submitted by



Jakob K. Hamm
Admin. Assistant to the Selectboard & Town Administrator

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