

RED HOOK TOWN BOARD MEETING

Special Meeting: DRAFT

August 21, 2009

A meeting of the Town Board of the Town of Red Hook, Dutchess County, New York was convened in public session at the Town Hall, 7340 South Broadway, Red Hook at 10:00 a.m.

Present: Supervisor Sue Crane, Councilwoman Micki Strawinski, Councilman Harry Colgan and Councilman Robert McKeon

Absent: Councilman James Ross

Also Present: Attorney for the Town Christine Chale, Jeff Irish, president of Hudson Valley Clean Energy and associate Denny Collette.

Supervisor Crane opened the meeting at 10:15 am. (She, in error, designated the date as Aug. 11th.)

The Board appointed Linda Keeling as temporary secretary.

This is a special meeting to consider a possible grant application to NYSERDA, RFP #1613, through the federal Stimulus funding program and requested that Jeff Irish give an overview of the grant.

Jeff Irish briefly described the NYSERDA grant #1613 and the reimbursement. It is for purchasing energy efficiency or clean fleet energy which includes solar electric systems. It funds 100% of the system device, paying \$8 per watt, measured in DC wattage output. Municipal governments can apply. The first round is due August 24th with several million available statewide. He felt the second round, due October 26th, would not have money. As a former customer he contacted the town regarding this grant several weeks ago.

Councilman Robert McKeon noted there was \$74 million allocated with Region 3 to share \$2.3 million competitively among 13 counties. He referred the board to a map showing how the money would be distributed throughout New York State.

Jeff Irish explained the State allocated the moneys based on employment processes.

Councilman Harry Colgan asked if the town's roof is adequate to hold the system.

Jeff Irish explained that NYSERDA has very strict requirements for a solar system. The present roof is a 12 % pitch both east and west.

Supervisor Sue Crane asked what happens when the roof wears out.

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Jeff Irish explained that the town's roof is in good shape. The peak to the ridge is the only area exposed to the weather thereby providing a longer roof life. It is possible to reshingle then reapply the solar panels.

Councilman Colgan noted that 100 panels is a much larger proposal than the present solar system with an immense output. He is interested in the financial implications.

Jeff Irish noted it is five times the presently installed solar system. It will generate a savings of 86% of the meter.

Councilman McKeon noted that the prepared grant will need a couple of changes. He spoke with Matthew Brown of NYSERDA and specified that the town is within a non-attainment county which will give the application extra review points. The town assessor quantified the town hall square footage as 5856 sq. ft. on the ground floor and 2674 sq. ft. in the basement. Based solely on the first floor, the town can be bench marked which will also give the town extra review points. On page 30, the EPA will commission a panel to determine eligibility and criteria through a software analysis of the square footage of the building. The project can earn up to 40 points based on the project cost source as millions per BTU.

Jeff Irish explained they are going to rank using a point scale. There is a portion related to the more asked for the less received.

Councilman McKeon noted there is 15 points for cost share making the town eligible for 100% of the cost. He believed it would be a weaker application if that was done. There was a discussion with the Christine Chale regarding the total project cost versus the output.

Councilman McKeon reviewed the point allocations the town would receive and noted that the town would not qualify for the "environmental justice and economic distress" categories. The additional 20 points is levied by the panel. The cost figures supplied are an estimate

Christine Chale reminded the board that they have to go through a procurement bid process with the requirement of the Buy American process when using federal grant money. The point allocation is not necessarily equated with the estimate.

Supervisor Crane noted that once the grant is received the town has to go out to bid.

Christine Chale reminded the board of the Davis Bacon requirement regarding state prevailing wage and the federal Buy American requirement and specifications.

She reminded the board to keep the documentation on the actual compliance and certification and Supervisor Crane inquired if the narrative had been written for the last part of the grant.

Robert McKeon referred to appendix E.

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Harry Colgan inquired as to who writes the narrative and Robert McKeon replied that we do that description.

Supervisor Crane suggested that all of the town's conservation measures be included to ensure a higher point ranking.

Robert McKeon indicated he had contacted Chairman Brenda Cagle and Laurie Husted from the CAC. The town's building has had upgraded florescent lighting installed as a "complete lighting retrofit". He asked if there were any other proposed changes.

Christine Chale questioned the payment to service provider. She felt it was inappropriate because we need to document and never assign payment.

Jeff Irish responded that they are an eligible installer therefore a direct payment can be made to them. It is reported as taxable income. That's how NYSERDA works, including the federal government if the system is small under a certain threshold.

Christine Chale noted that \$20,000 is the threshold and the grant is for \$186,000. She encouraged the board to understand the procurement process for the grant. The town went through a bid process the last time.

Robert McKeon asked if it is under \$20,000 we would need to go out for bid.

Christine Chale asked if the town is the proposer and not NYSERDA.

Jeff Irish said it is different from NYSERDA's system but it is okay if you want to do it that way.

Christine Chale noted that the grant is for improvements to the building. It doesn't matter if the grant is part of it. There could be a change.

Robert McKeon identified the specifics for the grant including the square footage of the building which is 5786.

Supervisor Crane noted that according to the County parcel access, including the basement, it is 3780 square feet.

Christine Chale noted that the town assessor should update the information for the addition.

Robert McKeon noted other specifics for the grant page 25 change to meters, cost change and annual.

Denny Collette the addition was put on in 2002, therefore need to split it in two one for the addition and one for the primary building. The calculation is based on one service not both.

Robert McKeon noted the need for accurate figures before sending off the application and the need to approve subject to the corrections including use and peak demand.

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Jeff Irish noted this allows to net meter by splitting half to one meter and half to the other.

Harry Colgan inquired if there would be another board in the hallway.

Jeff Irish said there would be separate systems with an internet connection for the public.

Robert McKeon suggested a 5% match related to the dollar implications.

Harry Colgan inquired as to when the system would be installed on the roof.

Jeff Irish replied he needs six to eight weeks lead time. He does not have control over the time frame and NYSERDA is swamped with participants. He anticipates the middle of next year with 90% installed by June. The NYSERDA contract is extensive. In answering Harry Colgan's inquiry about the total electrical consumption, Jeff Irish indicated 80%.

Robert McKeon estimated the town would save \$3,000 to \$5,000 per year at the current price.

Harry Colgan said he is looking for a zero impact to the budget.

Robert McKeon indicated that over 30 years it could mean a savings of \$105,000 at the current rate.

Jeff Irish noted NYSERDA has an existing system that would pay 78%.

Supervisor Crane thought a 5% match would be reasonable.

Micki Strawinski thought if the town tapped into its reserve funds, she thought a 10% match would be reasonable.

Denny Collette suggested that if 20% pay off in 7.3 years. 85% can not be used for the value created at no change at the rate of cost. The other issue is the probability of getting the grant based on the percentage offered.

Supervisor Crane felt we've done so much in the environmental area and we spent \$8500 on this building this year. At 85% rebate we would save \$6200.

Denny Collette said if you paid \$13,600 as a down payment that equals 9.3%. With a contribution of \$10,000 to \$15,000 it would be paid for in about 4 years, deductible to the contractor.

Supervisor Crane suggested \$12,000.

Micki Strawinski said that the 15 points on the grant would likely increase to more than the 5% contribution.

Denny Collette said with a less than 8% contribution of \$12,000 that translates to a three year pay back.

Supervisor Crane noted that the last solar panels installed was a \$22,000 cost share.

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Denny Collette indicated that this would be five times the amount of solar panels for less than half the investment.

Robert McKeon passed out a prepared resolution dated August 21, 2009 with proposed changes.

RESOLUTION 2009 # 39

RE: NYSERDA, RFP #1613 grant application

Supervisor Crane motioned to amend the above grant with a \$12,000 match by the town and requesting \$131,584 directly from NYSERDA for a total grant of \$143,584. Micki Strawinski seconded the motion.

Adopted: Ayes 4: Crane, Strawinski, Colgan, McKeon; Nays: 0; Absent 1: Ross

Copy Attached

Robert McKeon thanked everyone who helped out on the grant which is due August 24, 2009 in Albany.

Other Business:

A secretary is needed for the Ethics Board. Sheila Franklin was approached and is available. She presently is the secretary to the Zoning Board of Appeals.

Councilman Harry Colgan motioned to support the appointing of Sheila Franklin for the position of secretary to the Ethics Board; Councilman Robert McKeon seconded the motion.

Adopted: Ayes 4: Crane, Strawinski, Colgan, McKeon; Nays: 0; Absent 1: Ross

Councilman Colgan motioned to adjourn the meeting and seconded by Supervisor Crane. The meeting adjourned at 11:25 a.m.

Adopted: Ayes 4: Crane, Strawinski, Colgan, McKeon; Nays 0; Absent 1: Ross

Respectfully submitted,

Linda J. Keeling
Special Town Board Meeting
Temporary Secretary