

Prudential Committee Freedom Hall

Minutes

August 27, 2018

5:00 p.m.

Call to order

Present: Ray Pirrone, Lisa Mycock-Kelly, Fran Parks, Silvio Genao, Charlie Eager

Pledge of Allegiance

Public Comment: Cynthia Gardiner asked if public comment could be after the meeting, Fran Parks replied that Ms. Gardiner would be able to speak to the Treasurer after the meeting.

Charles Nutter, Energy Sales, Nexamp Solar: Mr. Nutter has contacted the district to see if interested in getting solar credits. The water department is already in a program with the Town of Barnstable so this would be just for Prudential and Fire. *Note, Mr. Nutter's microphone was off and difficult to hear. Mr. Nutter discussed how getting solar usually works (credits get applied to account/utility bill per month plus get a discounted rate). For this project, Eversource has chosen to not to go through the process of crediting our account, but rather to cut and send out checks each month for the value of the electricity that would be produced. Mr. Nutter said review contract to review information about credits, there are no upfront costs, and no termination fee, just really have to be able to receive those credits-the action involved (inaudible) Fran asked two questions, the first is what is the charge for the kilowatt hour- Mr. Nutter responded it is a fixed discount per centage offering a 20 percent discount. Referred to distributed paper work for scenarios. Second question, is annual output of electricity fairly stable. Mr. Nutter said yes, it is, plus able to set up cap and able to work that into the contract. Silvio asked how the process works—understands that Nexamp is an energy producer and the total amount of kilowatts produced per year would be contracting you for a certain amount and based on the difference of any other producer, you see a saving of about \$4,000 a year for us. Mr. Nutter said agreed that was correct. (inaudible) Fran asked how would work on a procurement level-would have to solicit other bids? Silvio will look into it but thinks maybe electrical contracts are exempt. Lisa asked if phase two was complete, yes, it is and phase one about to be constructed. Figures given are just for phase two. (inaudible) Fran asked how they are financed for these projects? Mr. Nutter responded that 3 sources for these projects are: equity contribution, (inaudible) and taxable finance. Fran asked about existing projects and if have any trouble with the panels-existing project since 2017, and the panels on that project (inaudible) some circumstance if electrical equipment comes down, is covered under warranty. Lisa asked how many projects have-they have about 30 projects in Massachusetts starting to expand. Fran asked when need to know by, answer is flexible but need (inaudible). Silvio asked about the list of compliance with state, other towns, and Mass. Are there other towns on cape that are clients? Yes, they do-the water district and the listed a few others. Second question how do you come up with our allocation? Answer- Was based on usage. Ray asked when will see a contract? Answer-can have one made up right away. The board thanked Mr. Nutter and will be in contact. Fran wanted to mention she read on the NPPO that advice was not to get net metering but to get the checks. Ray would like to look over the contract and look into the details. Silvio suggested contacting Nexamp's local clients for referrals.

Town Assessor petition For Release of Overlay funds of \$164,000 for a deficiency in Debt Service in 2017:

Treasurer discussed the sheet that was distributed. History of this is in 2017 Rays predecessor was about to renew a bond when the bond counsel determined that the bond had initially been issued not in conformity with State Notice Regulations. Caused by the fact at the time our Bylaws didn't agree with State. The only alternative at that point was to pay the bond off, which he did. That resulted in an over expenditure of debt service on the budget. The auditors pointed this out to Ray, Ray spoke with the state and the remedy will be to add \$164,000 (which is the deficit) to the tax recap/bill for the coming year. Have two means of off setting that. To either reduce the reserve for refunds and abatements that the District has built up over the years or to use free cash. The majority of cash Ray is hoping will come from the reduction in the reserve for abatements. The abatements are built up through the taxes on the District; they are contributed to this reserve, but the

reserve is controlled by Assessor who issues the rebates and abatements. The procedure is for the Prudential Committee to approve by petitioning the assessor on your behalf to reduce the amount of the reserve. The second sheet of the handout gives a history of a current reserve that is \$143,000. Have been adding between \$20-30,000 over the past five years, but only spending about \$3,000 on abatement so have been building this up and it seems appropriate to Ray to return some of that money to the taxpayer through this mechanism. Ray proposes taking 120% of the five-year average and taking eight years of that making a total of \$25,000. If that is an appropriate reserve, would release \$118,000 which would use to offset against the \$164,000 of potential tax increase. Ray asked for permission to petition Mr. O'Neil on the Committees behalf. Fran asked that if for some unknown reason we get down to \$25,000 and some year comes up that more is needed for rebates can we get that from free cash? Ray responded could get from free cash, but each year the state will require that we add to it. Lisa asked if Bylaws have been amended so this won't happen again, Ray will look into it. Fran made a motion to authorize the Treasurer to approach the Town Assessors Office to release \$118,000 from reserve for abatements and refunds, seconded, all in favor.

Sec. of State FOIA requests: over the past three weeks the Treasury dept has been logging its time that has been spent on record requests and its totaled in that time period approx. 16 hours between Treasurer and Assistant Treasurer. This time is spent producing records, time with the state, developing documentation for appeals, checking with counsel. Most of the record requests are not on the shelf that can simply have a copy made they take some design to extract for a system in which it is contained as would not normally look and produce that on a regular basis. Ray would like to point out that the Treasury dept is budgeted forty hours, putting in an extra five hours a week creates about an \$7,000 increase in that budget for the year. A lot of the work is uncompensated and the dept charges for time and production, but that is the minor part of what is involved. Lisa asked how much has been charge for these hours? Ray said about less than six hours of total charge time-will look into it.

Space Needs Assessment Contract: Attorney Boudreau reviewed Brown Lunquists AIA contract and the contract that is more favorable to the district. Response was he thinks the contract we provided which is not standard AIA contract would be in the best interest of the district. Lisa reviewed and redlined it again with some of the information that was missing that was in the original packet which was the insurance. Lisa feels Brown Lunquist is a large enough firm to carry the coverages that Silvio had highlighted as possible overkill. Lisa thinks the amounts they agreed upon are in the packets, will clean it up and review. Fran would like to have a meeting in a few weeks to address the solar and get things done.

Men's Bathroom repair: Bathroom is leaking, and has brass plumbing. Spencer Hallet gave an estimate to replace toilet, fixtures, vent- Total price \$1,250. Another vendor will look at the floor and give price replacement. Lisa asked if they should look at the sink to deal with it all at once, Fran will ask him to look at the sink. Projector is back in operation, someone had tried to set it up to WIFI and it froze the system.

Approval of Minutes: Motion made to accept the July minutes with some corrections, seconded, all in favor.

Matters not anticipated by the Chairwoman: NA

Motion to Adjourn, so moved.