

MADISON ENERGY ADVISORY COMMITTEE

THURSDAY OCTOBER 20, 2016

CALL TO ORDER - ATTENDANCE:

Noreen Downs, Co-Chair - Present

Russ Dowd, Co-Chair- Present

Russ Lanoie - Present

Bruce Kennedy - Present

Ken Eckhardt - Present

Bob King, BOS - Present

Nicole Nordlund - Excused

Others Present - Selectman John Arruda,

Regina Durga and Elmer Arbogast, Seimens

Mrs. Downs welcomed everyone and introduced Regina Durga from Seimens who gave a presentation on Performance Contracting.

PRESENTATION

-There are many revenue concerns in towns such as reduced tax revenues, declining student enrollment and decreases in operational monies.

-There are also infrastructure issues which also need addressing such as declining maintenance, capital cost to replace aging infrastructure and high energy costs.

-The voters want energy efficiency, more control over their environment and improved learning in a better work environment.

-Benefits to Madison would be more efficient energy usage/costs.

-Seimens reviews the projects for viability and conducts an investment grade audit. If the project is not accepted by the Town, there is a buyout clause of approximately \$15,000.00 which Madison would be liable for.

-Mrs. Downs commented that what the town/school is paying now is similar to that amount without the benefits of the upgrades and improvements.

-Mr. Arruda compared this to the PSNH t partnership that the town had for the street lights.

-Many Northern NH school districts have their facilities under deferred maintenance due to cost and lack of revenues.

-Seimens does not charge upfront and it can be up to 2 years before the town makes a payment. Many towns have experienced operational savings over time.

-Mr. Dowd stated that if Madison were to take on similar programs, there would be warrant articles for consideration at town meeting and then a handle all the rebates with a committee of volunteers. It would be very difficult. If the Seimens program were used, their people are trained professionals who can balance the variables and keep a level spending impact for the residents.

-The Madison deferred maintenance issues are 1) library needs a new boiler, 2) better lighting for the library; and 3) school thermal regs and rebates are more complicated.

-Mrs. Downs stated that there are projects which could be bundled under this umbrella to take advantage of the savings.

-Before Seimens puts forth any real engineering efforts, there will be negotiations with the Town. If the project spreadsheet is completed and doesn't look feasible, Seimens will absorb the cost. For example, if there is a 15 yr payback in the Letter of Intent and the Spreadsheet only shows a 20 yr payback, the Town will not owe Seimens any money.

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- Mr. Dowd stated that the lighting at the school has an opportunity for upgrades.
- Mrs. Downs questioned whether the Seimens information and proposal sufficient to present to a bank for financing. Yes, it is and Seimens works with local banks to review the project scope, cost, investment risk and payback over time. Madison would need to ask for a Bond.
- Mr. Eckhardt asked where does the Letter of Intent fall in this process. There would be a rough Request for Quote so Madison would know what to expect.
- Mr. Arruda questioned whether the School is on board with this or is it just for the municipal side? Mrs. Downs stated that it is the committee's intent to include the School Board and they have been invited. Both the Town and the School could be lumped together and then still have separate billing. Seimens offered that they would speak to the School Board to address their concerns and sometimes having improved lighting with proper ventilation can do as much for the students and teachers as a new school.
- Mrs. Downs thanked Seimens for their 75-minute presentation and Mr. Dowd stated that 'it is impossible to learn less.'

PUBLIC COMMENT - None

APPROVAL OF AUGUST 18, 2016 MINUTES - Mr. Kennedy motioned to approve the August 18, 2016 minutes; Mr. Dowd seconded. All in favor.

REPORTS OF AUGUST 18 ACTION ITEMS -

- NH Feasibility Study** - After reading the document, Mrs. Downs had questions that she wanted to review with Mr. Dowd. They will follow-up for the next meeting. Mrs. Downs will send thank you notes to the past presenters and asked that if the committee members had any questions or comments to please email her or Mr. Dowd to discuss at the next meeting.
- Warrant Article for Weatherization and Lighting** - perhaps there is an alternative with the Seimens Performance Contract.

OLD BUSINESS -

- Mr. Lanoie inquired if other companies would be asked to present similar to Seimens?
- Mrs. Downs stated that the ESCOS (Energy Service Companies) could be sent template Request for Quotes for input.
- At next meeting, RFQ templates will be discussed.
- Mr. Lanoie inquired if the SAU should be included? Mrs. Downs stated that yes, the SAU and School Board should be included.

ADJOURNMENT

Mr. Dowd made a Motion to adjourn; Mr. Kennedy seconded. All in favor.

The next meeting is Thursday November 17, 2016 at 7pm.

Respectfully Submitted

Colleen King