MINUTES OF REGULAR MEETING
BOARD OF ELECTRIC COMMISSIONERS

Wednesday, February 12, 2014 – 5:30 p.m.

The regular meeting of the Board of Electric Commissioners was convened at 5:34 p.m. on Wednesday, February 12, 2014, at the Burlington Electric Department at 585 Pine Street, Burlington, Vermont.

Commissioners Spencer Newman, Scott Moody, Jean O'Sullivan, Bob Herendeen, and Mark Stephenson were present.

Staff members present included Barb Grimes, Ken Nolan, John Irving, Munir Kasti, Paul Alexander, Mary Sullivan, and Charlie Willette.

Other staff members present included Laura Babcock, clerk.

Channel 17 was present to tape this meeting.

Commissioner Newman called the meeting to order at 5:34 p.m.

1. Agenda

Commissioner Herendeen asked to remove item 7, the Lighting Committee Update, to the March meeting because Commissioner O'Sullivan was stuck at the legislature.

The motion was approved by all commissioners present.

2. Minutes of the January 8, 2014 meeting:

Commissioner Herendeen noted that on page four the last paragraph should read "5 MWh per hour" instead of "5 MW per hour. He also noted that on page four in the second to last paragraph the Winooski-One purchase price should read "$16 million" and not "$18 million."

Commissioner Stephenson moved to accept the minutes for the January 8, 2014 meeting. The motion was seconded by Commissioner Moody and approved by all Commissioners present.

3. Public Forum

Gregory Roy was present from the public.

3.5 Commissioners' Corner

Commissioner Stephenson noted that the monthly report states that the solar projects with Burlington Public Schools are moving forward. He wanted to congratulate the department for moving these projects along and that it's great to see an emphasis on local schools and helping them to reduce costs.

Commissioner Newman noted that he received a letter notifying the department that we've been awarded the $30,000 grant for new electric vehicle charging stations.

4. General Manager/Commission Information Items (Oral Update)

Ms. Grimes noted that Daryl had resolved the indirect cost issue with Rich Goodwin, Assistant CAO. BED will now have their indirect cost charge calculated on the operating budget, like all other city departments, instead of the entire budget. This will save the department about $300,000 per year.

Ms. Grimes stated that VELCO had authorized IBM's Deep Thunder weather prediction project to move forward. BED voted yes on the project, not because Deep Thunder will better predict when and where a storm will hit, but because it can better predict when renewables will be engaged.

5. McNeil Contract Approval (Discussion and Vote)

John Irving was present for the discussion on the McNeil contract approval. Mr. Irving went on to say that in order to maintain emissions standards in compliance with our Vermont Air Quality permit, we have planned for and budgeted to rebuild the B-West mechanical field of the electrostatic precipitators at McNeil station. We invited six bidders to bid and received two qualified bids. The Precipitator Service Group bid $234,930 and Whitehead Construction INC bid $374,192. We have worked with both of these contractors with favorable results for similar work in the past. Based on lowest evaluated cost and compliance with the bid document, we recommend awarding the order to Precipitator Service Group. This work is scheduled to be done in the April 2014 annual outage and requires approval of the BEC and Burlington City Council.

Commissioner Stephenson moved to authorize John Irving to negotiate the contract with Precipitator Service Group to rebuild the precipitator at McNeil. The motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

6. Solar Airport Agreement

a. Contract with Encore Redevelopments (Discussion and Vote)

Ken Nolan was present for the Contract with Encore Redevelopment discussion. Mr. Nolan stated that he would be focusing on the airport solar project. The project will be for a 537 kW Solar Array with a ballasted Racking system using Solar World SW315 Panels and AET Rayport B Racking System. Some of the features will be a 1-55 kW Inverter, Solectria 500PE, web-based data monitoring system, and a proposed Locus LGATE 320. It will be located on the top floor of the airport parking garage. This space was specifically designed for solar when the airport was built. BED will own and operate the solar project and will be treated as a BED load-reducing generator. The airport will "lease" BED the space needed to install and operate the solar array. Because the airport and BED are both city departments this "lease" will be accomplished through a Memorandum of Understanding (MOU). BED will contract with Encore Redevelopment, a local Burlington-Based company, to design, permit, procure, and install the array.

The contract with Encore, though subject to some revisions such as final permit size, extended warranties, and change in monitoring equipment, is for $1,213,250. The total capital cost is estimated at $1,500,000 which includes metering, ancillary interconnection costs, etc. There will also be ongoing O&M costs including $10,000- $20,000 per year in "lease" payment to the airport. Based on IRP assumptions the value of this project, over 20 years, is $2,700,000. The NPV value is $1,730,000.

The anticipated timeline is as follows: completion of permit design by March 21, 2014, submission of Certificate of Public Good petition by April 15, 2014, receipt of Certificate of Public Good by July 15, 2014, procurement of all major equipment by July 16, 2014, delivery of modules and racking to the jobsite by September 15, 2014, substantial completion of the project by November 15, 2014, and project commissioning by December 15, 2014.

b. MOU with Burlington International Airport (Discussion and Vote)

The MOU with the airport has been drafted and is under review by airport still. It will need to be approved by the Airport Commission. Mr. Nolan anticipates going before the Board of Finance on 2/18 or 2/24 and before the City Council on 3/10. The contract with Encore Redevelopment is essentially complete except for minor tweaks needed to stay in synch with the MOU.

Commissioner Stephenson moved to authorize BED to move forward with bringing the Encore Redevelopment Contract before the Board of Finance for approval, and to move forward with the MOU between BED and the Burlington International Airport. The motion was seconded by Commissioner Moody and approved by all Commissioners present.

There being no further business to discuss, Commissioners Moody and O'Sullivan moved to adjourn at 7:07 p.m. which was approved by all Commissioners present.

Attest:

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Laura Babcock, Clerk