

The Cresco City Council held a Public Input Meeting on November 2, 2015, at 5:30 pm at City Hall. Council Members Carman, Bouska, McGee, McCarville and Loveless were present. No council members were absent. Seven citizens attended the meeting. Also in attendance were John Nielson and Russell Novak both from Perry Novak Electric.

Bouska explained the financing of the proposed solar project that the City of Cresco is considering implementing. The Iowa State Supreme Court recently ruled that an arrangement called a Power Purchase Agreement (PPA) is legal in the state. The Federal and State governments allow tax credits for solar installations which the City of Cresco would not be able to utilize since it does not pay income taxes. The PPA allows private investors to install and own the solar equipment and receive the tax credits and then sell the electricity to the City. There are several cities and school districts that are starting to do this since PPAs became legal in Iowa.

The investor owns the panels. The agreement between the investor and the City allows them to install solar equipment on the City's land and/or buildings and the City promises to purchase electricity from the investor at a specified rate. The City gets its electricity at a reduced rate and the investor gets the tax credits that the City has no use for and the investor also gets revenue from selling electricity to the City. Negotiating items to be determined include the electricity purchase price over time, the length of the agreement and what happens at the end. The panels may be removed by the investor or the City may purchase them or the agreement could be extended. The City is estimating saving about \$9,500 per year in electricity charges. We are hoping local investors will finance the project. The City's upfront costs would include legal fees, site preparation, perhaps removal of some trees and perhaps the old swimming pool building.

Rod Freidhof showed pictures of potential locations. Roof mounts would be on City Hall, the Fire Station, the Street Shop, and perhaps Kessel Lodge. The Fire station could also feed some of the street lights. Street lights can be powered because they are grid-tied so during the day the solar power goes into the grid and then at night they pull out of the grid. The installation on the Street Shop would also feed the Police Garage nearby. Structural Engineers will need to evaluate the building structures to make sure they are designed to withstand the extra load.

Ground mounts would be in Kessel Park, Evans Park, Featherlite lift station and east of the small water tower. The proposed ground mount would feed the small water tower and stop lights at the corner of Highway 9 and Granger Road. One citizen objected to this proposed site. Ground mounts would also feed both City wells located in Kessel Park and Evans Park, which are the biggest electricity users in the proposed project. (The Wastewater Treatment Plant and Fitness Center are the city's biggest users of electricity, but because they are in a large commercial tariff we are paying such low rates that solar is not feasible.) Kessel Lodge may either have roof mounts or be fed from the well's ground mounted arrays. The only lift station that we would have room for a ground mount would be the Featherlite lift station. The ground mounts would be enclosed by a vinyl coated fence that would be included in the installation cost. Perhaps ivy or climbing roses or bushes can be planted on the fence line along the sides of the arrays. Trees or bushes can also be planted on the backside as well. We would put rock or low-growing grasses under the panels. If the old pool building is removed, we would save the name plate off the building.

The meeting was an open dialogue with questions and comments encouraged from the audience throughout the meeting.

An Alliant Energy representative, Craig Clefish, has been working with the City since the beginning of the project and is also on the City Energy Action Team. This is part of an IEDA grant that gave us the services for the past year of an Energy Efficiency Engineer, Christine Maduro. Working with the Team and analyzing the Alliant and Black Hills energy

audits of the city buildings, plus her own on-site reviews, she and the Team have prepared a prioritized list of energy saving suggestions.

The primary risk to the city in a PPA arrangement is that Alliant could make detrimental tariff changes in the future, such as changing the current net metering arrangements. It is also possible that Alliant's charges for electricity in the future might decrease, causing the PPA price to be higher. However, a recent Price-Setting Webinar put on by Alliant Energy predicted their rates to increase 3%, 7% and 10% respectively over the next three years depending on approval by the Iowa Utilities Board.

Without the tax credits, the project is not as appealing from an investment standpoint. The tax credits may be disappearing after 2016. The Council would like to move forward with the project and appreciated all of the comments and questions.

Carman moved to adjourn at 6:06 pm. Loveless seconded and it passed all ayes. The next regular Cresco City Council meeting will be November 2, 2015 at 7:00 pm at Cresco City Hall.

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Mayor Mark Bohle

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City Clerk Michelle Girolamo