

CITY OF SALISBURY
WORK SESSION
NOVEMBER 21, 2022

Public Officials Present

Council President John “Jack” R. Heath
Councilwoman Angela M. Blake

Council Vice-President Muir Boda
Councilwoman Michele Gregory (via Zoom)

Public Officials Absent

Mayor Jacob R. Day
Councilwoman April Jackson

In Attendance

City Administrator Julia Glanz, Housing & Community Development (HCDD) Director Ron Strickler (via Zoom), Arts, Business & Culture Department (ABCD) Director Allen Swiger, Deputy Chief Chris O’Barsky, City Clerk Kimberly Nichols, Attorney Ashley Bosche (via Zoom), and interested members of the public.

On November 21, 2022 the Salisbury City Council convened at 4:30 p.m. in a hybrid Work Session in Council Chambers and on Zoom Conferencing Video.

Ordinance- False Alarm code adjustment

HCDD Director Ron Strickler requested removing HCDD from the municipal infraction portion of false alarms in the City Code since the department did not respond to false alarms and therefore could not give testimony in court and every case would be lost. The adjustment would remove the authority from HCDD to handle false alarm infractions.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Ordinance- budget amendment accepting funds for the Zoo’s Andean Bear Exhibit

ABCD Director Allen Swiger discussed the need to invest in the Andean Bear Exhibit. In order to advance to the next phase of the campaign an architectural design must be obtained. A \$250,000 grant was awarded to the City from the Maryland Department of General Services pending final approval by the State Board of Public Works. Although unsure of when the approval would be received, Ms. Glanz assured Council that it would likely be awarded. Since the City was at a standstill, Mr. Swiger requested a budget amendment in advance so that the design work could begin. Once received, the grant funds would be returned to General Fund.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Ordinance to accept sub-granted funds from TidalHealth in the amount of \$62,500 for SWIFT

Deputy Fire Chief Chris O’Barsky requested the approval of grant funds in the amount of \$62,500.00 received as a sub-grantee from a TidalHealth grant to continue support of the SWIFT program.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Ordinance to appropriate funds received from the Wicomico County Health Department in the amount of \$10,000 for the Safe Station

Deputy Chief O’Barsky reported the City had been part of the program for about five years, along with the Health Department, which allowed persons battling addiction to get help. To date, they had seen about 220 individual incidences at the location. The Fire Department was reimbursed on a quarterly basis for a total of \$10,000 per year.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Ordinance to amend Chapter 2.12 of the Salisbury City Code to remove the authority to enforce the City Fire Prevention Code from the Director of the Department of Infrastructure and Development

Deputy Chief O’Barsky said the ordinance would remove the authority from the DID Director since the City had its own Fire Marshal’s Office to enforce the fire codes.

Council reached unanimous consensus to advance the legislation to legislative session.

Presentation- RFP 22-106 Solar Photovoltaic Generation System

Richard Anderson, Chief Operating Officer of CQI Associates, LLC provided the presentation. A soil disposal area at the Wastewater Treatment Plant (WWTP) was identified as an excellent location to develop the solar project. The solar production could reduce the purchase of electricity from Delmarva Power by 30% for the WWTP. Electricity costs were estimated to increase by over 55% based on current market projections starting June 2025. The presentation has been attached as part of the minutes.

Ms. Blake asked if the City reviewed other proposals, and Mr. Anderson yes, that it was a competitive Request for Proposals with multiple vendors. Ms. Glanz said it was a heavy lift from Procurement but would save the City money in the long run.

Ms. Gregory appreciated that it would save the City quite a lot of money.

President Heath did not believe the City would get another opportunity to take such a chunk out of greenhouse gases and looked forward to seeing the completed project.

Ms. Miller said that many of the other projects were very small in the number of metric tons they could produce.

Mr. Boda and Mr. Heath both shared again that an 800-amp breaker was still needed for Anne Street Village.

Public Comments

One speaker provided the public comments and thanked Council for their leadership associated with the Anne Street Village. The Emergency Rental Assistance (ERA) Program that Habitat for Humanity was part of for two years was ending. Habitat had already closed out all of the open cases, Salisbury Neighborhood Housing was working on theirs, and Shore Up had the largest back-log. Any monies left after December 1, 2022 would be transferred back to the County to be ultimately transferred to Shore Up.

Over the past two years \$26 million was expended to address the ERA Program. Even if the \$26 million was divided two ways into \$13 million, the Continuum of Care (COC) partners covering Wicomico, Worcester and Somerset only received \$1.3 million annually for all three counties. This would put a strain on City services and Housing First would be overloaded with cases. She wanted to ensure that the City was aware. The COC partners and non-profit agencies were on a reimbursement schedule with the State, and smaller non-profits without a thrift shop for supplemental funds would likely have to stop serving vulnerable people until they received their reimbursement.

Administration and Council Comments

Ms. Glanz said she appreciated the speaker's comments but was unsure of an immediate answer. The topic was regularly discussed in the Vulnerable Populations Task Force. She agreed that Anne Street would only make a small dent locally. She thanked Field Operations for getting the City into the holiday spirit, as it looked like a Winter Wonderland around town. Third Friday was a great event and there were more events planned in the coming weeks. Small Business Saturday was from 10:00 a.m. to 4:00 p.m.

Mr. Boda wished everyone a Happy Thanksgiving. He was happy to see the solar project.

Ms. Blake was very concerned about the housing situation. She asked for anyone healthy enough to please donate blood, as the Eastern Shore continued to be very low.

Ms. Gregory remarked that if anyone was like her and lived in the UK in the 70's and 80's, they would be able to donate blood again.

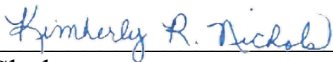
President Heath concurred with Ms. Blake to donate blood if healthy enough, as there was a national shortage. Operation We Care had another great packing event yesterday. The City recognized Head Charge Nurse Lauren Mann of the Emergency Department (ED) at TidalHealth. When Corporal Hilliard was mortally wounded and brought to the ED, Lauren wanted him to have all the dignity and respect he deserved upon his

departure. She looked for a flag to cover him with, and as there were none, she asked security to remove the hospital's flag to cover him with. She was thanked and recognized by the Governor, Senate, Delegation, County and the City for her thoughtful humanity.

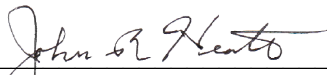
President Heath promoted shopping locally, as there were plenty of items to buy and no lines. He then then wished everyone a happy and healthy Thanksgiving.

Adjournment

With no further business to discuss, President Heath adjourned the Work Session at 5:15 p.m.



City Clerk



Council President



OVERVIEW



November 16, 2022

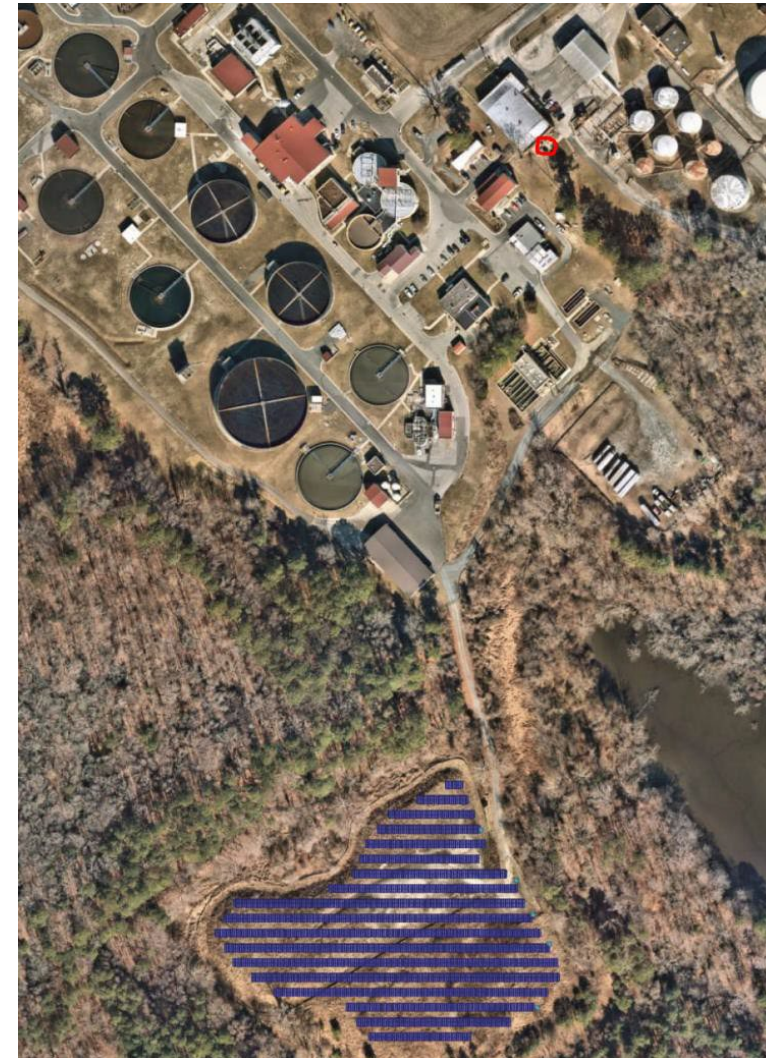
City of Salisbury

Waste Water Treatment Plant

Onsite Solar Photovoltaic Electricity Generation System

Spoils Site

CONTRACT NO. RFP 22-106





OVERVIEW



November 16, 2022





OVERVIEW



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OVERVIEW

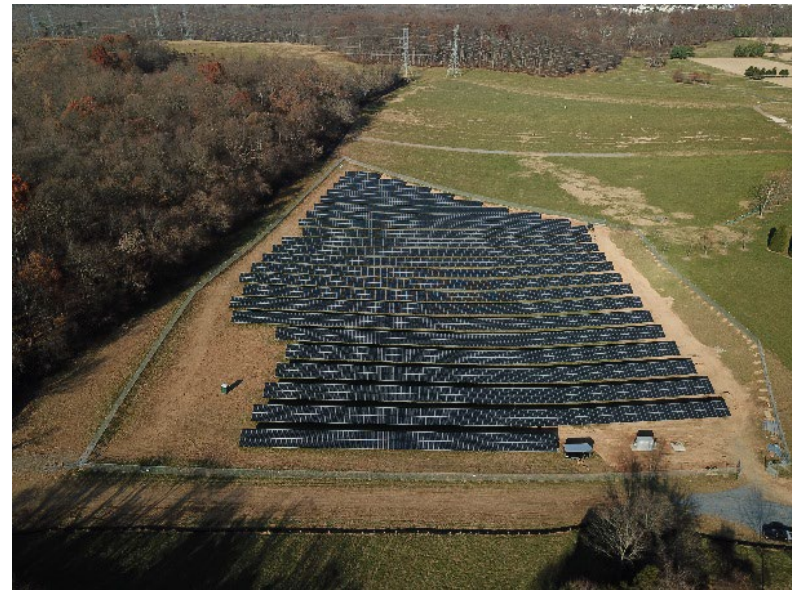


November 16, 2022



Ground Mount Solar

Behind the Meter Installation





OVERVIEW



November 16, 2022

- City conducted an assessment of City owned facilities and sites for development of on-site solar systems.
- The WWTP spoils site was selected as having the greatest potential for development of a solar system.
- Smaller on-site system development is possible at the City Service Center in the future.
- A Request for Proposal was issued and proposals received May 2022.
- Following the evaluation of proposals, the submission by **Empower Energies** was selected for review and negotiation.
- The Power Purchase Agreement was reviewed and the terms & conditions negotiated with Empower Energies, the City Attorney, City Staff and CQI Associates.



OVERVIEW



November 16, 2022

- WWTP - FY 2022 Annual Consumption: 8,401,463 kWh
- WWTP - FY 2022 Annual Cost: \$560,289

- Year One Expected Annual Solar Production: 2,513,388.5 kWh (AC)
- The potential solar production could reduce the purchase of electricity from DELMARVA by 30% for the WWTP

- Current electricity supply contract with Constellation ends May/June 2025
- Electricity costs are estimated to increase by over 55% based on current market projections starting June 2025



OVERVIEW



November 16, 2022

Key considerations for Council Review:

- 20 year agreement
- Empower Energies' solar system is turn key: owned, constructed, operated and maintained by developer
- City Capital Improvement Funding is not required
- City pays for the generated energy based on a per kilowatt rate
- Empower Energies has agreed to a 90% performance guarantee
- Empower Energies is required to remove the system at the end of the 20 year agreement and fully restore the site
- City has purchase options in years 7, 11, 16 and at the end of term



Offer Overview



November 16, 2022

- Contract Rate: \$0.078 per kWh
- Term: 20 Years
- Annual Escalation Rate Starting Year Two: 2% per year
- Year One Estimated Cost: \$197,301
- Estimated Savings – 20 Years: \$1,296,744
- Estimated Date for Commercial Operation: February – June 2024
- Year One Expected Annual Production: 2,513,388.5 kWh (AC)
- Annual production degradation rate is 1% per year
- Reduction in Greenhouse Gas Emissions: 1,100 metric tons
- Domestic Manufactured Solar Panels and Invertors
- Federal Investment Tax Credit Program and Inflation Reduction Act of 2022 include required Buy America and prevailing wage provisions to incentivize domestic production



Cost Comparison Projection



November 16, 2022

WWTP Net Meter Ground Mount 1752.72 kW/DC	Year	8,401,463 Production	Current CNE & Delmarva Rates				Solar PPA Rate & Delivery Offset				Estimated Annual Cost Reduction
			Supply Cost Constellation per kWh (2.0%/yr)	Delivery Cost DELMARVA per kWh	Bundled Consolidated per kWh	Electricity Annual Cost	Solar PPA Rate Empower Energies per kWh (2.0%/yr)	Delivery Cost DELMARVA per kWh	Bundled Consolidated per kWh	Electricity Annual Cost	
Cuurent Contract Rate*	2024	2,513,389	0.05184	0.0238	0.0756	\$190,113	0.07500	0.0005	0.0755	\$189,761	\$352
Rate Increase June 2025	2025	2,500,822	0.06860	0.0245	0.0931	\$232,862	0.07650	0.0005	0.0770	\$192,563	\$40,298
Rate Increase full year	2026	2,488,318	0.08535	0.0245	0.1099	\$273,382	0.07803	0.0005	0.0785	\$195,408	\$77,974
	2043	2,285,063	0.11915	0.0287	0.1479	\$337,889	0.10926	0.0005	0.1098	\$250,905	\$86,984
20 Year Totals		47,950,194				\$5,850,334				\$4,379,405	\$1,470,929

25.14%

*Production in first year is estimated to be 30% of WWTP use



Conclusion



November 16, 2022

- City has been seeking an opportunity to develop a solar project. The proposed WWTP solar project will meet this initial goal.
- **Climate Solutions Now Act of 2022** calls for Maryland to **reduce greenhouse gas emissions by 60% by 2031, below the 2006 baseline levels**
 - As of 2022 City GHG is **5,530 metric tons**
 - To reach goal, the City will need to reduce GHG Emissions by 2031 by **3,030 metric tons**
- The WWTP solar project reduces long-term costs, reduces GHG Emissions **by 1,100 metric tons**, and requires no initial Capital Investment
- Largest single GHG-Reduction effort to date



Next Steps



November 16, 2022

- Finalize the Power Purchase Agreement for signature – December 2022
- Proceed with 35% design for City review and approval – January 2022
- Apply to DELMARVA for utility interconnection approval – February 2023
- Conduct environmental assessments and permit application process – January to March 2023
- Proceed with 90% design for City review and approval – April 2023
- Confirm solar array and inverter orders – April - May 2023
- Receive DELMARVA utility interconnection and related permit approval – June - July 2023
- Site Work Start: August – September 2023
- Installation Completion: December 2023 to January 2024
- Commercial Operation Approval: February – June 2024
- Cost Reduction Impact FY 2025 (July 2024 to June 2025)



Reference



November 16, 2022

Year/Amount	GHG Metric Tons
2006 Baseline	6,280
Reduction to Date	750
Balance as of 2022	5,530
Goal by 2031	2,510
Amount to be Reduced 2024 to 2031	3,020



Reference



November 16, 2022

Year	Proposed Project Recommendations	Investment	Savings	GHG Reductions Base	GHG Reductions with Virtual Solar
2023	WWTP Solar	Rate per Generated kWh	\$17,300	1,100	1,100
	DELMARVA Lighting	Delmarva Funded	\$11,000	240	240
2024	O & M	\$18,660	\$10,165	88	88
	Off Site Solar	Rate per kWh	\$50,000	1,050	
	Virtual Off-Site Solar	Rate per kWh	\$168,000		3,670
2025	Lighting	\$120,285	\$18,560	166	166
	Gas Conversion	TBD	0	350	350
2026	HVAC	\$70,100	\$5,650	60	60
	Lighting	\$131,390	\$17,590	150	150
2027	HVAC	\$86,400	\$10,330	125	125
	Service Center Solar	Rate per kWh	\$15,000	150	150
2028	HVAC	\$243,500	\$13,000	110	110
	Reduction Estimate Totals	\$670,335	\$336,595	3,589	6,209