

RICHLAND COUNTY

Finance & Personnel Standing Committee



June 16, 2022

NOTICE OF MEETING

Please be advised that the Richland County Finance and Personnel Committee will convene at 6:30 p.m., **Tuesday, June 21st, 2022** in the Phoenix Center 100 S Orange St, Richland Center, WI 53581 Street and via videoconference and teleconference using the following information:

WebEx Videoconference:

<https://richlandcounty.my.webex.com/richlandcounty.my/j.php?MTID=mbea806fe07bef15a8396e17776963fc5>

Meeting number: 2556 212 8699

Password: J9kBWDekx52

WebEx Teleconference: WebEx teleconference phone number: 650-479-3208, Access code: 2556 212 8699

If you have any trouble accessing the meeting, please contact MIS Director Barbara Scott at 608-649-5922 (phone) or barbara.scott@co.richland.wi.us (email).

Agenda:

1. Call to order
2. Proof of notification
3. Agenda approval

Action Items:

4. Discussion and possible action on Pine Valley Solar Project

Closing:

5. Public Comment
6. Adjournment

Meeting materials may be found at <https://administrator.co.richland.wi.us/minutes/finance-personnel/>.

A quorum may be present from other Committees, Boards, or Commissions. No committee, board or commission will exercise any responsibilities, authority or duties except for the Finance and Personnel Standing Committee.

CC: Committee Members, County Board, Department Heads, Richland Observer, WRCO, Valley Sentinel, Courthouse Bulletin Board

180.36 kW PV
\$302,407 Total Cost before grants

Pine Valley Community Village Solar Project, Summary

17-Jun

Avg Rate per kWh for electricity

	Now	Every kWh	\$0.0720	Goes up every year or 2
Solar 25 years	5,664,002	kWhs	\$0.0339	Hedge on future rate hikes
Solar 40 years	8,700,871	kWhs	\$0.0220	Hedge on future rate hikes

Solar Panels have a 25 year production warranty, but should continue generating power much longer. Expect a .5% annual degradation rate for the solar output

Costs (red) and Benefits (green) assumptions based on rate escalators

Using \$100,000 grant from Foundation + Capital Funds

(Break-Even by)

Yr	Solar Output, kWh	kWh Savings Rate per kWh	kWh Savings from Electric Bill equals A x B	Operation/Maintenance Cost Estimate \$4/kWh	Yr	Annual Benefit after Net LSC fees and Total Costs	Cumulative Cost / Recovery of Funds from Capital Acct
	A	B	C	D			
0	100% Expected kWh			\$4.00	0	(\$6,253.83)	(\$159,436.83)
1	241,021	\$0.0720	\$17,353.54	(\$721.44)	1	\$16,632.10	(\$142,804.73)
2	239,816	\$0.0734	\$17,612.10	(\$721.44)	2	\$16,890.66	(\$125,914.06)
3	238,611	\$0.0749	\$17,874.07	(\$721.44)	3	\$17,152.63	(\$108,761.43)
4	237,406	\$0.0764	\$18,139.48	(\$721.44)	4	\$17,418.04	(\$91,343.39)
5	236,201	\$0.0779	\$18,408.35	(\$721.44)	5	\$17,686.91	(\$73,656.49)
6	234,996	\$0.0795	\$18,680.71	(\$721.44)	6	\$17,959.27	(\$55,697.21)
7	233,791	\$0.0811	\$18,956.61	(\$721.44)	7	\$18,235.17	(\$37,462.04)
8	232,586	\$0.0827	\$19,236.08	(\$721.44)	8	\$18,514.64	(\$18,947.40)
9	231,380	\$0.0844	\$19,519.14	(\$721.44)	9	\$18,797.70	(\$149.70)
10	230,175	\$0.0860	\$19,805.82	(\$721.44)	10	\$19,084.38	\$18,934.68
11	228,970	\$0.0878	\$20,096.17	(\$721.44)	11	\$19,374.73	\$38,309.41
12	227,765	\$0.0895	\$20,390.21	(\$721.44)	12	\$19,668.77	\$57,978.18
13	226,560	\$0.0913	\$20,687.97	(\$721.44)	13	\$19,966.53	\$77,944.71
14	225,355	\$0.0931	\$20,989.49	(\$721.44)	14	\$20,268.05	\$98,212.76
15	224,150	\$0.0950	\$21,294.79	(\$721.44)	15	\$20,573.35	\$118,786.11
16	222,945	\$0.0969	\$21,603.91	(\$721.44)	16	\$20,882.47	\$139,668.58
17	221,740	\$0.0988	\$21,916.87	(\$721.44)	17	\$21,195.43	\$160,864.01
18	220,535	\$0.1008	\$22,233.71	(\$721.44)	18	\$21,512.27	\$182,376.29
19	219,329	\$0.1028	\$22,554.46	(\$721.44)	19	\$21,833.02	\$204,209.31
20	218,124	\$0.1049	\$22,879.15	(\$721.44)	20	\$22,157.71	\$226,367.02
*21	216,919	\$0.1070	\$23,207.80	(\$15,000.00)	*21	\$8,207.80	\$234,574.82
22	215,714	\$0.1091	\$23,540.44	(\$721.44)	22	\$22,819.00	\$257,393.82
23	214,509	\$0.1113	\$23,877.11	(\$721.44)	23	\$23,155.67	\$280,549.49
24	213,304	\$0.1135	\$24,217.83	(\$721.44)	24	\$23,496.39	\$304,045.88
25	212,099	\$0.1158	\$24,562.63	(\$721.44)	25	\$23,841.19	\$327,887.07

5,664,002 Nominal Total= \$519,638.45 (\$32,314.56)

NPV = \$282,541.48 (5% discount rate)

(If Paid Cash)

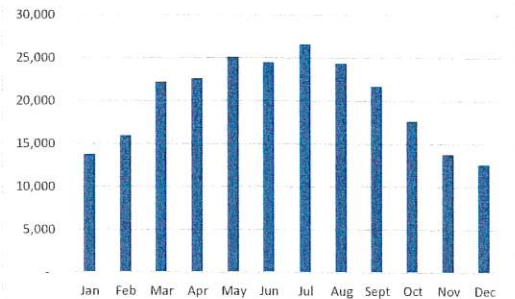
25-year horizon, APY

kWhs x Rate Equals Benefit minus O&M Costs = Equals Net Annual Alliant Bill Savings

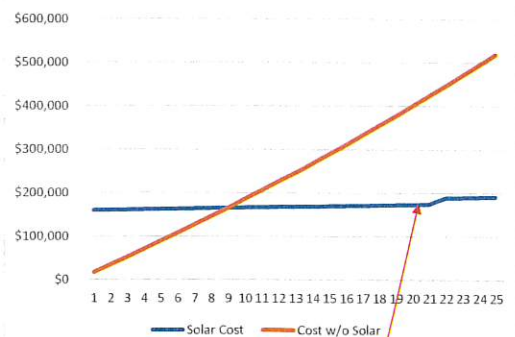
8.23%

*Year 20 includes a \$15,000 cost to replace inverters

Monthly kWh Estimates



Solar Cost vs Business as Usual



*Inverter Replacement

25 Years of Fossil Fuel Pollution

Mitigated by Solar

397,685	7,872,962	Pounds of CO2
# CO2 / yr 1	103,114	mg of Mercury
	169,920	Pounds of SOX
	16,992	Pounds of NOX
Equivalent to Planting	3,124,191	Trees !!
	113,280,033	Gallons of water conserved

Richland County Finance and Personnel Committee

Agenda Item Cover

Agenda Item Name: Pine Valley Solar Project

Department	Pine Valley	Presented By:	Tom Rislow, PV Administrator & Kurt Reinhold, President & CEO of Legacy Solar Coop
Date of Meeting:	June 7, 2022 June 21, 2022	Action Needed:	Vote to approve sending onto the County Board
Disclosure:	Open	Authority:	county board rule 14
Date submitted:	June 2, 2022 June 17, 2022	Referred by:	Pine Valley & Child Support standing committee

Recommendation and/or action language: Recommend a motion, "to present a resolution to the County Board for approval for Pine Valley Community Village to ~~1) enter into an agreement with Solar Connection, Inc. from Onalaska, Wisconsin, for the construction of a 180 kW DC (approximately 150 kW AC) Solar Array, to be ground mounted on Pine Valley property east of County O, for a sum not to exceed \$285,000 and 2) enter into financial agreement with 'tax sponsor' Richland County resident, Ray Schmitz, for the funding of the Solar Array."~~ Enter into an agreement with Solar Connection, Inc. from Onalaska, Wisconsin, for the construction of a 180 kw DC (approximately 150 kw AC) Solar Array, to be ground mounted on Pine Valley property east of County O, for a sum of \$296,153*. (*296,153 is the amount of the contract after applying the value of the donated solar panels from Solar for Good.)

Attachments and References:

Legacy Solar Coop—who they are Proposed Resolution for county board	ROI estimate over 40 years ROI estimate over 25 years
Background of PV solar project	Components of tax sponsor/financial agreement Financing plan revisions

Financial Review:

(please check one)

<input type="checkbox"/>	In adopted budget	Fund Number	
<input type="checkbox"/>	Apportionment needed	Requested Fund Number	
<input type="checkbox"/>	No financial impact		

Project funding coming from: Focus on Energy grant; estimated to be \$42,970.

Solar for Good grant of \$51,000; already included in construction contract numbers.

Pine Valley Foundation of \$100,000; thanks to pledged designated gifts of \$50,000 each from Ray Schmitz and Bob Simpson.

The remaining \$159,436 to come from Pine Valley's capital account.

The break-even point will be in year 10, as compared to year 13 from previous financial plan.

Number of solar panels (all bifacial) = 334 Approximate size of array = .3 of an acre

Percentage of annual electrical needs estimated to be provided by the solar array = 17%

Estimated annual savings = \$17,353 in 2023; each year savings to increase by 2%

~~Value of grant awarded through Solar for Good = \$51,000~~

~~Funds for Buyout in year six to come from PV capital fund~~

~~Funds needed to put aside for first 5 years in order to cover cost of buyout in year 6 = \$33,000 annually X 5 years = \$165,000.~~

Richland County Finance and Personnel Committee

Agenda Item Cover

Approval:

Review:

Department Head

Administrator, or Elected Office (if applicable)

RESOLUTION NO. 22 – 58 (revised 6/17/22)

A Resolution Approving A Construction Agreement For The Construction Of A Solar Array.

WHEREAS Pine Valley Community Village (PVCV) desires to add onsite solar electric generation as a compliment to its energy efficiency measures and geothermal system, and

WHEREAS the funding for this project will be provided through a combination of grants from ‘Solar for Good’, and ‘Focus on Energy’; \$100,000 from the Pine Valley Foundation, (thanks to pledged designated gifts of \$50,000 each from Ray Schmitz and Bob Simpson), and \$159,436 from PVCV’s own capital fund, and

WHEREAS the scope of the project will be a 180 kw DC solar array to be located just east of County Road O on county land directly east of PVCV’s campus, and provide estimated annual energy savings to PVCV of \$17,353 in the first year, and estimated cumulative savings of \$327,887 (after expenses) over the course of 25 years, and

WHEREAS through competitive bidding, Solar Connection Inc. of Onalaska, Wisconsin, has been chosen to construct the array for a total cost of \$296,153, and

WHEREAS Legacy Solar Coop of Madison, Wisconsin, has provided technical consultation to Pine Valley throughout the project development and will serve as ongoing liaison between Solar Connection and Pine Valley for potential maintenance or warranty questions, for a fee of \$6,253, and

WHEREAS the Pine Valley/Child Support Standing Committee and the Finance & Personnel Committee have carefully reviewed this request and now bring it forward to the County Board for its consideration,

NOW THEREFORE BE IT RESOLVED that PVCV be granted approval to enter into a construction agreement with Solar Connection Inc. from Onalaska, Wisconsin, for an amount of \$296,153, and to pay Legacy Solar Coop from Madison, Wisconsin, \$6,253 for their technical assistance, and

BE IT FURTHER RESOLVED that this resolution shall be effective on its passage and publication.

VOTE ON FOREGOING RESOLUTION

RESOLUTION OFFERED BY THE FINANCE &
PERSONNEL STANDING COMMITTEE
(17 JUNE 2022)

AYES _____ NOES _____

RESOLUTION _____

FOR AGAINST

DEREK S. KALISH
COUNTY CLERK

MARTY BREWER
SHAUN MURPHY-LOPEZ
MARC COUEY
GARY MANNING
TIMOTHY GOTTSCHALL
DAVID TURK
STEVE WILLIAMSON
MELISSA LUCK
STEVE CARROW

DATED: JUNE 21, 2022

Solar Project financing (revisions from previous plan) – updated 6/17/22

Previous Plan – involved setting up a special contract with Ray Schmitz and Bob Simpson, who would become owners of the DC side of the Solar Array for a minimum of 5 years. The contract would have had to meet IRS regulations for such arrangements.

Revised Plan – has no contract; no special arrangements needed.

Previous Plan – had no involvement from the Pine Valley Foundation.

Revised Plan – has \$100,000 coming from the Foundation, thanks to \$50,000 pledged from Ray Schmitz, and \$50,000 pledged from Bob Simpson.

Previous Plan – had Pine Valley making annual payments for 5 years, plus a buy out in year 6.

Revised Plan – Pine Valley will not be making payments to anyone. Total out of pocket to be only \$159,436 as compared to \$237,111 from previous plan.

Previous Plan – had no grant coming from Focus on Energy.

Revised Plan – estimates Focus on Energy grant for this project of \$42,970

Previous Plan – had Pine Valley setting aside funds for 5 years in order to cover the cost of the buyout in year 6 of the contract.

Revised Plan – there is no buyout in year 6. However, funds from the capital fund are being used, therefore consideration should be given to eventually replenish those funds for future Pine Valley needs.

Previous Plan – had Pine Valley not breaking even until year 13.

Revised Plan – has Pine Valley breaking even in year 10.

Previous Plan – PV's cumulative energy savings est. to be \$272,163 after 25 years.

Revised Plan – estimates energy savings to be \$327,887 after 25 years.