

# Mayor and City Council of Cumberland

## WORK SESSION

City Hall Council Chambers  
57 N. Liberty Street  
Cumberland, MD 21502

Tuesday, November 4, 2020  
5:00 p.m.

*This meeting was held via Video-Conference*

**PRESENT:** Raymond M. Morriss, President; Council Members: Seth Bernard, Richard Cioni, Eugene Frazier and Laurie Marchini.

**ALSO PRESENT:** Jeffrey D. Rhodes, City Administrator; Michael S. Cohen, City Solicitor; Marjorie Woodring, City Clerk; Robert Smith, City Engineer; Anthony Fotopoulos and Bill Rivell, Keystone Power Holdings, LLC

### I. KEYSTONE SOLAR PRESENTATION

Mr. Anthony Fotopoulos from Keystone Power Holdings, LLC gave a brief background on their company, and provided a presentation on a concept plan for a solar farm at the John D. DiFonzo Water Reclamation Facility. Mr. Fotopoulos advised that the market is starting up again for solar in Maryland and provided information on renewable energy compliance in the state. He reviewed the benefits of their offer:

#### BENEFITS

- Savings – Keystone builds and operates their solar plants, with no maintenance necessary from the City
- City only pays for power produced, and that power is at a discount in relation to what would be bought from a utility
- Long-term 30-year contract
- System is built to last for over 25 years, and up to 40 years
- Environmental and educational benefits – preserve natural resources; educate customers and employees

Mr. Fotopoulos quickly went over the components of a solar system. He explained the “behind the meter” system that reduces the power that a plant would use. He advised that this is not selling it to grid, and then virtually buying it, it’s only for the solar plant’s use.

He explained “Net Metering” which is a law in MD which allows up to a certain amount of megawatts. He said this makes it so you don’t have to use power in any given second, hour, or day. He added that if there is over-production on solar, it’s kind of like spinning the

meter backwards, as you get credit for that. He said you do have to use it, however, just not right away.

Mr. Fotopoulos reviewed the Power Purchase Agreement, which he advised was a pretty standard agreement for large power projects, and stated that the forms they use are from the Department of Energy. He also advised that they are able to take advantage of investment tax credit, and can pass those savings along as lower energy costs:

#### **POWER PURCHASE AGREEMENT**

- A ~2.3 MW DC system installed on-site
- No investment or operational responsibility
- 30-year agreement to generate and purchase electricity at fixed rates
- Starting rate of \$0.0575/kilowatt hour “kWh” (~7% below utility rate)
- Annual escalator of 2.00% (Historical utility rate increases average is 4%)
- 25-year cumulative savings over \$3.2 million
- PPA buyout/system purchase options at years 10, 15, 20, 25 & 30

He stated that the rub is the length of the contract, and said they are literally building a solar plant just for the sewer treatment plant. He advised that the panels themselves are warrantied for 25 years, though it works for 40 years. He said the key is the shorter the term, the higher the rate, and the longer the term, the more they can spread out the cost of the system and provide more savings. He stated that they are flexible on the timeline, and it can be worked out with the City. Mr. Fotopoulos stated that the length of the contract is usually the only push-back they get. He stated that the City’s only cost is time and the attorney to review the contracts – everything else is their responsibility. He added that when the City commits to purchase power at the rate agreed, it only pays if they produce.

Mr. Fotopoulos provided diagrams of a location at the WWTP that would work, and advised that the area is not considered wetlands. He said there is a bit of a flood risk, so they would have to lift up the array a bit, but stated that there would probably be no other use for the land, and said it could be a great option for solar. He went over the plants usage, referring to a diagram showing the array. He said they are limited as to megawatt size, and can’t go quite as high as they would like to go to give the plant the most benefit, but they think it can definitely work. Mr. Fotopoulos advised that they would have to remove some trees to the east and south because of shading. He added that to get to the size shown on the diagram they would also have to remove some trees at the southern edge. He said this is a very, very preliminary design, but they do think it would work.

Mr. Fotopoulos reviewed the slide with savings projections, and said power prices in MD are a little bit subject to political will, and stated they can be held down for a while, but not forever. He said prices have gone up over 4% since 1970, and they expect it to escalate at a 4% rate.

Mr. Fotopoulos stated in summary that he thinks they can fit about a 2.3 megawatt DC system on the site, and reviewed some important points from earlier in the presentation. He

added that the City could save about 7% off of what it's paying now. He touched on the buy-out options, if the City wanted to buy the system after the 30-year contract, and mentioned that buyouts are done by a certified appraiser, and at a fair market value.

Mr. Fotopoulos provided a slide showing a project his company completed last year in Illinois by a sewer plant, and said they are doing more like it this year. He then went over the bill components.

Mr. Tressler inquired if the system has battery storage capabilities. Mr. Fotopoulos replied no, that there isn't a good storage incentive and it doesn't make economic sense in MD right now. He advised that the "battery" is the grid itself through Net Meter, and said if the plant overproduces, it sort of spins the meter backwards. He said this has to be done through the utility company with an Interconnection Agreement, and the utility company has to approve and inspect their designs. Mr. Fotopoulos advised to think of the solar plant as a generator. He also advised that during the night, or on cloudy days, power would come from traditional means, and said that the plant is completely grid-interactive. He added that the solar plant could not operate if the grid went down.

In answer to a question, Mr. Fotopoulos stated that the proposed location being in a floodplain is not a problem, it just can't be in a flood way. He stated that they will have to raise the plant up for their insurance purposes, 1 foot above 100-year flood.

Mr. Rhodes asked if a smaller model would work. Mr. Fotopoulos advised that this model will work if it's smaller, but said there are some benefits to scale. Mr. Rhodes stated that as the treatment plant has grown into the area, and is regional and not just for the City, that it's possible that additional filters may have to be added in the future. He inquired if there would be enough area for growth, given the proposed site for the solar plant. Mr. Fotopoulos advised that they are happy to look at other locations if the treatment plant needs to expand, and said the solar plant does not have to be in that proposed location.

Mr. Fotopoulos reviewed the savings that could be expected, and provided a slide of an actual bill. He said from that they can estimate the City's kilowatt hours, and advised that given the site of the proposed plant, they can get to about 64% of plant usage. He then discussed savings over a 25-year period, and showed what would be paid as a utility rate, versus what would be paid by the power purchase agreement.

Mayor Morriss thanked Mr. Fotopoulos for the presentation, and said that the City wants to look at going green with utilities. He advised that M&CC will get with Mr. Smith and staff to learn more and go over the presentation, and will let him know. He added that it was very interesting and very educational.

Mr. Smith advised that if the City goes in this direction, it should be long term. He stated that he and Ms. Ketterman would most likely reach out to an organization called Tradition, to help procure the service that Keystone has presented. He stated that a number of firms do

the solar systems, and there could be a more competitive rate, so they want to reach out and get proposals for scope of work, let the rate be the determining factor, and then compare those to existing rates. He advised that rates have held steady, but it's hard to say what will happen long term. He also advised that they are not locked into one consultant, and said Keystone was just eager to talk about this opportunity. Mr. Smith agreed that it's important to go green where they can, but it's also important to be good stewards of the City's money

## II. PUBLIC MEETING AGENDA REVIEW – NOVEMBER 4, 2020

Mr. Rhodes reviewed items that had been added to the draft agenda from last week's Work Session:

**Ordinance No. 3878, (First Reading):** to amend the official zoning map of the City to correct the map by removing 30 parcels of record from the Canal Place Historic Preservation District, located between Alley No. 224 and Canal Parkway.

Mr. Rhodes advised that along Canal Parkway there was some area that ended up in the Historic Preservation District overlay by mistake, and this Ordinance removes the overlay.

**Order No. 26,729** – authorizing execution of a second Amendment to Purchase Agreement with Allegany Junction Limited Partnership regarding the sale of land located at 100 Reynolds Street, to allow for 2 additional 30-day Closing Extensions.

Mr. Rhodes advised that this location is the former East Side School site.

**Order No. 26,730** – appointing Charles W. Taylor, Jr. to the Zoning Board of Appeals for a term effective November 4, 2020, through November 4, 2023.

## III. PERFORMANCE EVALUATION TOOL

Councilwoman Marchini advised that ideally they would be doing goal-setting before evaluation, and inquired if anyone had had time to review the tools. She said there are lots of tools out there, and asked if what Ms. Woodring and Mr. Rhodes had used in the past was okay. Mr. Rhodes advised that he had given the Mayor some formats from ICMA, and the Administrative Employee form. Ms. Woodring advised that she had sent the previous evaluation that had been used, that was just a questionnaire. Mr. Rhodes and Mayor Morriss discussed the Administrative form, and feedback received in the past. Mr. Rhodes stated that he doesn't remember specifics, but said it's always good to sit down with the employee and have a conversation and some back and forth.

Mayor Morriss agreed, and said that refers to the Councilwoman's point that goal-setting is the most important step before doing evaluations. Mr. Rhodes advised that there is a sister process to the evaluation form he sent to the Mayor, that involves goal-setting and a good way to implement it. He said there are certain things about goals, in that you have to be able to track them, and they have to be clear and achievable. He stated that he would pass that along to M&CC.

Councilwoman Marchini said that she thinks step one would be to create a tool together, and to have it in front of them. She agreed with Mr. Rhodes that there needs to be measurables for it, and the establishment of goals in order to make a meaningful evaluation and to help set a track forward. She added that leads into some strategic planning, which she said would make sure they're all operating together. The Councilwoman said she can see this branching out into the CEDC and the DDC, and bringing everyone under one set of goals so everyone is working in a complimentary way.

Mayor Morriss agreed, saying that the M&CC also needs the cooperation of organizations that work alongside them, so everyone's going in the same direction.

Councilwoman Marchini advised that Councilman Cioni had sent her an evaluation that was used in 2016, and said it had more on it than the one she sent out, and stated it may be worth it to pause this discussion for today, and take time to go over the tools. Mayor Morriss agreed, saying this had been a good initial conversation, and asked everyone to review the documents that are available, and discuss at a later date.

#### **IV. ADJOURNMENT**

With no further business at hand, the meeting adjourned at 6:12 p.m.

Respectfully submitted,

Marjorie A. Woodring  
City Clerk

Minutes approved January 5, 2021