

**TOWNSHIP OF DERRY  
BOARD OF SUPERVISORS  
MEETING MINUTES  
OCTOBER 27, 2015**

**CALL TO ORDER**

Chairman John W. Foley, Jr., called the October 27, 2015 meeting of the Township of Derry Board of Supervisors to order at 6:36 pm in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. A roll call was conducted by Mr. Negley.

**IN ATTENDANCE:**

**SUPERVISORS**

John W. Foley, Jr., Chairman  
Marc A. Moyer, Vice Chairman  
Justin C. Engle, Secretary  
Sandy A. Ballard  
Matthew A. Weir

**ALSO PRESENT:**

James N. Negley, Township Manager and Treasurer  
Jill Henry, Assistant Township Manager  
Chuck Emerick, Director of Community Development  
Jon A. Yost, Township Solicitor  
Julie Echterling, Recorder

**INTRODUCTION:**

Chairman Foley stated this is a public meeting for an Energy Savings presentation for the entire Township. He stated this is a year in the making as Supervisor Weir and he had met with Mr. Franklin to discuss different and alternative energy solutions for the Township. He introduced Mr. Franklin.

**PRESENTATION**

Mr. Jay Franklin, NRG Controls, presented the Board with a highlight page of his presentation. He stated a preliminary study was done as part of the Dauphin County Economic Development energy efficiency partnership. They determined there was an opportunity for the Township. However, the Township did not want to incur any debt. The task at hand was to develop a plan that would reduce annual energy costs, promote healthy and a comfortable work environment, ensure budget stability, shrink the carbon footprint with zero debt, zero cost, and zero risk.

Derry Township should expect to spend \$12 million for electricity over the next 25 years. He showed the Board copies of the Township's electric bills. Over the next 10 years, there will be additional factors that will increase the electric costs. Those include coal regulations and the reduction of coal processing, oil is unnaturally low at this time, and major infrastructure improvements will need to be made to the grids, as not much has changed in the last 80 years. He stated with a solar array, the energy outlay over the next 25 years could drop by \$2-\$4 million dollars.

The Township's property will be used for the solar array. There are different ways to handle the costs. There is a land lease agreement paid over 25 years, or a lump sum payment. Alternatively, the funds can be used to offset capital projects or additional maintenance. There can be a higher value on those projects just by the way they are receipted for tax purposes. He stated, after the land lease agreement, the potential long term energy savings could be \$10,825,278.97 for years 2042 to 2066 as the Township will own the panels. He assumed the solar panels will lose 75% of their efficiency.

He spoke about energy conservation methods to help make the building be more comfortable. He spoke about upgrading lighting to LEDs and working on HVAC controls. He stated they will be looking at additional items in the building.

**TOWNSHIP OF DERRY  
BOARD OF SUPERVISORS  
MEETING MINUTES  
OCTOBER 27, 2015**

He believes they have delivered a project meeting the Township's goals. He stated to move forward the next step will be a meeting in December with hard numbers and moving forward with an investment grade audit. After the audit, a final proposal would be presented in January, 2016, with final approval in February. The work needs to be done by the end of 2016. He stated they aren't looking for action today but will in December. He stated they will come with a project that meets the criteria that both sides agree on and if the Township decides not to move forward, they are expecting reimbursement of their engineering costs not to exceed \$30,000.

He stated they would like to put an informational kiosk detailing the energy and dollar savings in the lobby of the Municipal Building. He showed the Board an example of what the kiosk would look like. This information of savings can also be put on the website to show the residents how much money is being saved by solar panels. He stated the Township doesn't have to do this, but it is an option.

**BOARD QUESTIONS/COMMENTS:**

Chairman Foley stated the Township didn't want to incur any debt and this plan accomplishes that request. He spoke about the Power Purchase Agreement (PPA) where the Township invests in putting up a solar farm and agrees to purchase of the energy. The investor of the solar farm insures it, maintains it, and is responsibility for the efficiency/performance of it with the Township purchasing the energy.

Supervisor Engle discussed how the Township knows it is getting the best rate/value for the PPA. Mr. Franklin stated these normally don't go out to bid as you aren't buying something but are selling something. It could be put out for bid but it would have to be done quickly. Supervisor Engle stated it seems like there is competition and they need to be guided to ensure the Township is getting a good deal. Mr. Franklin needs to put the bid out in December. He said it can be done with RFP or RFQ (Qualified firms). Supervisor Engle asked about the useful life of the system. Mr. Franklin stated there are three parts. The first is the infrastructure which is long term. The second is the inverters which has a 15-20 year life with the investor being 100% responsible to replace them during the 25 year PPA. The third is the solar panels which don't go bad but lose their usefulness. He thinks the solar panels can be replaced for less than one year of energy costs.

Supervisor Weir stated the timetable seems ambitious and he asked if there was anything he could foresee that could derail it, like the distance from the solar farm to this building. Mr. Franklin stated there are two things; a decision by the Board and how it works out with PPL. He stated they would like to put some of the system around the property but he hasn't spoken with Mr. Emerick about it yet. He believes they could do something with the Public Works building but has to look at and work with codes. He stated they wouldn't be on the roofs.

Supervisor Ballard asked where the majority of panels would be placed. Mr. Franklin stated they would be on the gravel pit (old landfill). She asked what Dauphin County Economic Development role in this is. He stated they wouldn't be involved anymore as they were going to secure the bonds for the debt and the Township doesn't want debt. She asked about the roof. He spoke about the concerns with the roof for some of the Township buildings and why solar panels aren't being planned. He stated 100% of the energy for this complex can be run off solar. Supervisor Engle asked about the location of the farm to what is being powered. Mr. Franklin spoke about the utilities not being happy about solar power of any

**TOWNSHIP OF DERRY  
BOARD OF SUPERVISORS  
MEETING MINUTES  
OCTOBER 27, 2015**

kind. He stated the load should be within two miles of the grid and there are exceptions made and they are working on this now.

Supervisor Weir asked how transmission costs affect his model. Mr. Franklin stated any cost billed by kilowatt will go away. He stated there will always be distribution cost which you want because you don't want to go off their grid.

Mr. Franklin stated he needs to come in December with a proposal with a solar bid. Chairman Foley asked that the proposal be received a week before the meeting. Mr. Franklin asked to be at the first Board of Supervisor's meeting in December.

**ADJOURNMENT:**

Vice Chairman Moyer made a motion to adjourn this public hearing at 7:00 pm. Supervisor Ballard seconded the motion. **Motion carried 5-0.**

**SUBMITTED BY:**

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Justin C. Engle  
Township Secretary

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Julie Echterling  
Recorder