

SPECIAL CITY COUNCIL MEETING
Wednesday, November 9, 2011
Friend Room – Sawyer Free Library – 7:00 p.m.
-MINUTES-

Present: Council President Jacqueline Hardy; Vice President, Councilor Sefatia Theken; Councilor Robert Whyntott; Councilor Greg Verga; Councilor Ann Mulcahey; Councilor Paul McGeary

Absent: Councilor Ciolino; Councilor Curcuru

Also Present: Linda T. Lowe; Gregg Cademartori; Kenny Costa; Jim Duggan; Suzanne Egan

Presenters: Stephen Barrett, Director Clean Energy, Harris Miller Miller & Hanson (HMMH); Jason Gifford, Sustainable Energy Advantage (SEA), LLC

EDIC: Rebecca Bernie, Chair; Alan Hagstrom; John Cunningham

Clean Energy Commission: Sam Cleaves; John Moskal; Tom Balf; Candace Wheeler

Planning Board: Richard Noonan

Councilors-Elect: Melissa Cox; Steven LeBlanc

The meeting was called to order at 7:00 p.m.

Flag Salute & Moment of Silence.

Consent Agenda:

• **COMMUNICATIONS**

1. Memorandum from Mayor Kirk re: Use of Restored Local Aid (Refer B&F)
2. Request from Gloucester Fishermen Athletic Association re: acceptance of gift of \$100,000 (One Hundred Thousand Dollars) For partial payment of engineering services for plans for renovation of Newell Stadium (Refer B&F)

Items to be added/deleted from the Consent Agenda:

By unanimous consent the Consent Agenda was accepted as presented.

Workshop/Presentation: Blackburn Wind Turbine Project – Risks vs. Rewards

Council President Hardy reminded those assembled this was a presentation workshop not a public hearing but a public meeting. The only turbine project before the Council this evening is that of the possibility of a municipally owned turbine at the Blackburn Industrial Park site for the Blackburn Wind Turbine Project and the evaluation undertaken by the EDIC. She also noted Councilor Ciolino had a previous engagement and was unable to attend this meeting.

Gregg Cademartori, Planning Director submitted a three-page summary entitled “Gloucester Municipal Wind Potential (on file). He pointed out involvement of the Clean Energy Commission and EDIC. Stephen Barrett of HMMH, Jason Gifford of SEA, were hired by the EDIC to do further analysis of this potential project. He reviewed the development of the wind turbine ordinance which was in response to how the State had changed energy regulation to make the opportunity for renewable energy projects available to municipalities. It was first adopted in 2007 in response to the Varian proposal and in 2009 it was modified. This became an opportunity for municipalities to post turbines on stand alone sites when there was no longer a load they had to feed, and that is called net metering. They went through a site assessment process for municipal sites. This was coupled with a study for communities who participated for municipal sites with loads. They looked at Fuller, the Waste Water Treatment Plant, etc. to determine whether those sites were viable. They also looked at the industrial parks and the waterfront. This was also looking at sites that had loads. Then regulations changed again and they moved into the consideration of any site as long as it met certain criteria; size, noise, shadow/flicker, making it much broader. Again changes were adopted in the City’s ordinance to explore those further. After looking at sites like Magnolia Woods, Bond Hill, they arrived at the most viable – Blackburn Industrial Park. That activity of assessment was through 2009 and 2010 when they honed in on the Blackburn site. They applied for funding from the MA Clean Energy Center in 2010 and received a grant; hired a consultant, Boreal, who completed a feasibility study in the spring of this past year. At that time a presentations were made to the Administration and to the Clean Energy Commission. There were still many questions with many variables and assumptions. These are very complicated projects; and the Administration had forwarded the feasibility study to the EDIC feeling they were well suited to further vet this

project. After meeting through the summer and into the fall the EDIC recommended the feasibility study be further vetted. They hired a consultant team, including Stephen Barrett of HMMH and Jason Gifford of SEA, and Dennis Loria who was unable to attend, who approached the project from a Civil Engineering viewpoint of constructability and validating construction costs. Throughout the process from the initial investigation of site assessment and projects they're going to look at there was constant check in with the Clean Energy Commission acting in an advisory role; and also provided the City staff, Susan St. Pierre, Project Manager in Community Development. On inquiry by **Councilor Verga, Mr. Cademartori** described the first page colored map of the hand-out (submitted and on file) as a wind velocity map. On that map, areas shown as pink are the highest wind velocity, and are ideal for wind resources. (Boreal's study is available on the City's website, including appendices and is also on file in the City Clerk's office.) Boreal looked at two locations on a large piece of City owned land adjacent to the Babson Water supply and the Blackburn Industrial Park. There was one that was preferred but both are viable. The site would accommodate possibly two wind turbines. One site has slightly higher construction costs over the other. Their charge under the feasibility study was to evaluate a 1.5 to 2.0 MW installation on two separate locations within the same study. Time was spent looking at wind resource data (coming from Varian through their studies at a met tower (a cell tower in that location) over five or six years). They looked at constructability of the locations; the wind resources; interconnection to the grid; transportation and access to the site for delivery and construction costs; and most importantly, when put together is this economically feasible as a business model for a successful project. Their recommendation is there is a viable site. In his experience dealing with the MA Clean Energy Center, when they vetted this in all the projects they've seen that it is one of the best sites in Massachusetts. The consultants came up with questions that should be posed: are assumptions correct; wind, capacity factors, down time, yield, costs, and revenue; diligence needed for multimillion dollar potential project and to limit risk. **Steve Barrett, HMMH** described the team and submitted a handout (on file). HMMH was hired to look at the Boreal report where all the potential fatal flaws would be addressed in a conservative manner; the economics of wind projects is closely tied to the wind resource. If the cost base assumptions were appropriately conservative and looking at the financial analysis does it stand up to scrutiny. They also wanted to see if they could enhance the report. He referred to Findings on Blackburn Wind Turbine, Page 2 and read the bulleted items noted there. Overall, the financial analysis the main message of the report was appropriate and accurate. This is a "terrific site" for a wind energy project. They don't find too many locations with as strong a wind resource with existing infrastructure to connect the wind to the electrical grid. They are verifying that. They found if the City owned the project it would be the highest financial return. They estimated the revenue to the City would be \$500,000 annually. This is revenue not cost avoidance he responded to a query by **Council President Hardy**. **Jason Gifford** stated it is net cash flow. It could also be called cost avoidance. **Mr. Barrett** stated if the City leased the land to a third party, the benefits would be about 50% less or about \$250,000 annually. The trade off between or risk management approach to the project. With the City owned project the City owns the risk. If they lease the land the City might not have as much economic benefit but some of the risk is put onto the owner of the project. The financials on the third party option that they produced which was new information would be useful in evaluating other third party projects. The City could see up to 30% on electric costs on City land for third party projects. You can't compare apples to apples, a third party project on City land versus private land because the cost parameters may not be broken down the same way. Another factor is relative to timing and schedule of these projects. Any privately owned project or third party lease on City land is contingent on federal tax incentive programs. One aspect is starting construction by end of this year and another completed by the end of next year. Net metering is valuable to the City. If you use them for one project they can't be used for another project and are a finite resource. If a third party deal is executed, the City owned option becomes infeasible. **Mr. Gifford** described net metering was originally designed to accommodate electricity generating devices installed behind a meter at your home or business as opposed to out on the electricity grid. The value of that power was defined as the same as what the customer would have paid to the utility. It is now allowed for the same design and same valuing of the production at a retail rate; but now it doesn't have to be "behind the meter". You can put it on a municipally owned site standing by itself; and virtually count the dollars, giving the City credit of the dollar value as if it was actually behind the meter; and **Councilor McGeary** added as if the City was using the power itself as opposed to the City putting it out onto the grid. **Mr. Gifford** agreed. By the book, any municipality can have up to 10 MW (and a single turbine is 1.8 MW) within the municipality that were considered virtual net metering generators. The City's capacity to use the production from those generators offset their electricity purchases. As for the City's capacity to use the production from those generators to offset their electricity purchases, if 10 million KW hours is the City's consumption, then that is about the amount of generation that you could buy to offset of what you're using; and that would be substantially less than 10 MW; it may be 4 MW. Purchasing the amount and offsetting the amount you consume becomes the lesser of the two. In theory you could have and own up to 10 MW and could have much more generation than the City could use. **Councilor**

McGeary thought one of the Boreal studies said the City uses 10 MW. **Mr. Gifford** thought it was 10.4 MWh (megawatt hours) that would be produced. **Mr. Cademartori** noted the 10 million KW hours can't be confused with the nameplate rating of 10 MW capacity which is different. The 1.8 turbine is estimated in the Boreal study to produce about 6.4 million KWh (kilowatt hours). The nameplate rating doesn't equate with what it potentially produces. **Councilor McGeary** thought the City could only use one turbine unless they built several more City buildings to utilize the total electrical production. **Mr. Cademartori** added with the 10 MW, they can get credited up to that but need accounts to be assigned to it. They can build up; and in some situations, National Grid may do cash payments; and in building up credits, they'd be generating future energy. At some time they'd need the cash to pay off the project. The point of cost avoidance, in the operating budget they usually have, the \$500,000 they pay annually for electricity, if they're getting credits and the bill is only coming in at \$500,000, they're using that other money to pay off the project if it is a City bonding scenario. **Councilor McGeary** surmised that the City would own something they'd likely break even on. **Mr. Cademartori** stated, "No". They'd still go beyond that. This suggests that after debt service and operating expenses, there is \$500,000. Another way credits could be dealt with is they could be assigned to another municipality. If there are two projects that are producing more than the City can consume, the City would then be acting as if it were a third party to sell renewable energy to another municipality. **Kenny Costa**, City Auditor noted that would be income to the City. **Mr. Cademartori** noted it is a complicated arrangement but National Grid is supportive; and have their own mandates to move towards renewable energy; but don't want the City to be generators. They're giving the City just enough incentive to be involved in it. **Councilor McGeary** clarified that is he meant for a private third party deal executed on City land the City owned option becomes infeasible because you've used up all your generating capacity with one or two turbines. But you would also avoid all the risk in maintenance and paying it off. **Council President Hardy** asked if the City would be liability for some of the costs. **Mr. Barrett** noted the costs would be incorporated in the electricity the City would be purchasing. The economic benefit is that they are paying for their insurance with them owning the project. **Council President Hardy** asked if they need to agree to purchase all of the future energy through that agreement or could it be worked so they don't have to purchase through that agreement. **Mr. Barrett** stated they would have control over the terms of the agreement; they would be buying all of the electricity from that party and applying everything from that turbine. **Council President Hardy** asked if they projected 10 MW and used under that, would the City then be penalized. **Mr. Gifford** stated if a third party owns the project, in order for the project to qualify for the highest net metering it has to sell all of the net metering to the City. If the purchases matched the consumption on an annual basis, if you had a 20 year contract and over time you would reduce the National Grid bill to zero and start to accumulate dollars and be applied to the bill after the contract ends. **Council President Hardy** asked about how long is the maximum contract length; 20 years for instance. **Mr. Gifford** stated one of the benefits of wind; you can contract at a known price for a long term. In the financial community, 20 years is the assumed useful life of a turbine. It is a reasonable term over which to contract. If you were to bond the project, whoever the lender is, they'll look at the term of the contract and you won't get a loan for a term longer than the contract. **Councilor McGeary** stated the lender may insist on a shorter term. On a 20 year bond you need a 20 year term. **Councilor Verga** asked what is going rate to install a turbine. **Mr. Gifford** stated the boreal estimate was under \$6 million. Their estimate was \$5.7 million. **Councilor McGeary** noted a range in the Boreal study. **Mr. Cademartori** noted it was 900 kilowatt machines to up to 2 MW. **Councilor Verga** asked if there is an actual market for third parties to do this. **Mr. Barrett** stated the "goodie bag of credits" have value and is incentivizing the market. **Councilor Verga** asked if they put out an RFP for this, are they confident this would have takers. **Mr. Barratt** stated yes; and that there is still a market after the end of this year. If you miss the December 31st deadline, small projects can be constructed in 2012 there will be tax credits available but more complicated. The economics are virtually the same. **Mr. Gifford** noted renewable energy investing is tax investing. A third of the benefit would come from cash, a third from the investment tax benefit and a third from depreciation. The latter two categories fall under tax credits. For a limited time in recognition of the financial climate and recession the treasury said in lieu of investment tax credit they'll give them cash. It limits the pool of investors. In order to qualify for that you have to spend through construction 5% of the project this year. Another option is that to qualify you could make irrevocable commitments of 5% through down payments of equipment that there has been a lot of discussion on. Next year the same investment tax credit is available to wind projects as an investment tax credit only. Now they're talking about a tax credit and have to have as an investor needed to have federal tax liability. After 2012, there is no incentive for renewable energy projects. **Councilor McGeary** noted the cash infusion makes getting the money easier to get for start up costs. **Ms. Bernie** noted when they were approached to do this her concern from the start is that the City wants to be green and save on energy but there is no way they want to get the City into a bad financial situation which is the risk factor. In going back to the Boreal study, some of the numbers they were using if they didn't come in at those numbers could potentially put the City at risk. There are a lot of things available right now; but they're

looking at bonding \$6 million plus maintenance, up to \$8 million the City is on the hook for over 20 years. She wanted to make sure the numbers are as conservative as possible and the risks are plain so that everyone knows what could happen if things were not on the positive side. She felt it all needs to be looked at very carefully for the City to own its own turbine versus a third party owning it. **Council President Hardy** asked what the City's capacity to operate and maintain a turbine if they build it. Would a new department need to be created. **Ms. Bernie** stated there would need to be a maintenance contract. It is very technical; and the right people need to be in place to do the maintenance. Ipswich has a power and light company that they are tacking theirs onto. Gloucester does not have a structure in place to do that. **Mr. Cademartori** stated physically maintaining it would be outsourced and would not be something that the City would do. This is as they do with other City infrastructure. There is the ability as in other projects in pulling together the resources for construction. There needs to be an interface with the City who follows and tracks it; annual reports that show savings, etc. He didn't know if that capacity is captured in the estimates are in this.

Councilor Tobey entered the meeting at 7:54 p.m.

Councilor McGeary felt it would be similar to the relationship with Veolia (contract operators of the City's water treatment system). **Ms. Bernie** felt the City should talk to other municipalities as to what it is really like to own and run a turbine. **Mr. Barrett** stated one is in Hull put up 10 years ago. He reached out to the General Manager in Princeton, MA but had not heard back from him as to warranties, etc. Their analysis on the O&M took a generic approach. They thought an additional \$50,000 annually could be the cost of some premium coverage for the City and increase their O&M estimates and affect cost savings. **Councilor Mulcahey** noted the outsourcing of the water maintenance and the outsourcing of the turbine maintenance and that there are no guarantees. And if other towns are attached to the City, then it is worse. She felt they'd have to hire someone. She also expressed concern that if the turbine stopped working then they'd be without electricity. **Mr. Barrett** thought the analogy with water appropriate. However, if a wind turbine didn't spin, there'd still be electricity [through the grid]. The risk would be cash and contracts. No one would run out of electricity. **Councilor Theken** asked about the Hull turbine. **Mr. Barrett** stated Hull owns it through a municipal light and power company. He assumed they have a maintenance contract with the manufacturer. Even if the community has electrical people on their staff, they still do that. Councilor Theken then asked whether they should go through their own infrastructure or through National Grid. **Mr. Barrett** stated those communities didn't have the infrastructure and built it. In Gloucester, National Grid owns the infrastructure. **Councilor Theken** also asked how many turbines they would need to be cost efficient. They approved several turbines; but they haven't been moved forward. **Mr. Barratt** noted the recession has affected businesses. **Mr. Cademartori** also noted the study evaluated a number of different turbines; but the smaller ones don't pan out; they don't produce any revenue. At around 600 kW it was difficult to make economic sense. **Mr. Barrett** added the larger you build, the more economically viable the project is. **Councilor Verga** expressed if the turbine stops spinning, they stop getting credits and start paying the bill, and assumed there would be something in the contract about downtime. **Mr. Cademartori** stated those warranties and long term service contracts which you pay a premium for is the focus and plays into after debt service revenue; and is something essential for folks being comfortable with it. Like anything one insures, by paying the premium, it protects the City. **Councilor Verga** pointed out the Council had previously voted for three other wind turbine projects at the time the economy was on solid footing; then the economy fell down, and pushed those projects back. He felt that nothing was slowing the Gloucester Engineering project; that this shouldn't affect that project. **Mr. Cademartori** stated it directly impacts it. **Councilor Verga** believed they're not exceeding the 10 MW. **Mr. Cademartori** noted their proposal was about matching the City's load. That is where the discussion of the credits comes into play. The City has only so much they can receive. It is not likely they'd have a third party scenario. It would be getting into the realm of assigning credits to another community. **Councilor Verga** felt in fairness to the applicant and the Special Council Permit that was approved, this was like "pulling the rug out" from under Gloucester Engineering for something that should have been thought through ahead of time. There will be five approved turbine projects, and nothing will get built. **Jim Duggan**, CAO stated that would be a potential situation to commit the City for 20 to 25 years. They're doing their best effort to be fiscally responsible in examining all components of liability, financial commitments before they do anything. **Councilor Verga** felt this was a case of the 'horse has left the barn'. **Mr. Cademartori** stated the timing is poor. Considering this had its birth in 2005 and moving in this direction in parallel, he appreciated the expression of the concern for the applicant. However, he espoused the concern is for the citizens. If there is a better opportunity for the citizens because it is their resource and the City's credits at play, they'll ultimately make a decision one way or the other, but it can't be both. **Attorney Egan** added that what Gloucester Engineering got, the City Council permitted two wind turbines. That permits was solely about the ability to put the wind turbines on that site. It did not have anything to do with the agreement with the City. The MOU was an agreement that said they're agreeing to look into the benefits to both parties. That is what the agreement was. The City would look into

whether it is a benefit to it and whether it was a good thing to do. Gloucester Engineering was aware that they were going through this process and was aware of this risk. **Councilor McGeary** stated the clock was still ticking; and there is a real chance this project could die. If the City could afford to build their own turbines and manage them effectively, and could reap all the benefits, they'd get a lot more benefits in the end. But he wondered what that reality of the situation was – would they do that when they have schools to build, a secondary sewerage treatment plant, a new police/fire station. They could continue to look at the possibilities, but they may never happen. Pointing to Page 15 of the presentation (on file), it projects the power cost per kWh (kilowatt hour) through 2032; right now it is 13 cents/kWh and in 2032 it would be 22 cents/kWh. That is the real risk they run. The turbines never get built and the City is paying for their 10 million KW hour 21 cents apiece. Whatever savings they might have realized by building their own turbines has gone away. He thought the Gloucester Engineering project is a “bird in the hand”; do the due diligence; but they can't guarantee against every contingency. He felt the chances of the City, with all the new construction coming on line, of going under the allocation that they'll get from them is fairly remote. More realistically they'll be paying 22 cents/kWh. For whatever the term is they'll be locking in at 13 cents minus a percentage. He believed if the clock weren't ticking he would agree; but it was and he was very concerned they'll lose the Gloucester Engineering opportunity; and nothing is behind it. **Mr. Duggan** stated they have negotiated and tried to exchange letters of information. They will not be the “poster child” of what not to do. **Councilor McGeary** reiterated there is an important symbolic and real benefit to the City by becoming a user of renewable resources. He suggested all deliberate speed be taken. **Alan Hagstrom**, Director, EDIC pointed out there is nothing the City is doing to ruin the Gloucester Engineering project. **Councilor McGeary** disagreed in that the clock was running out and stated according to them, they must get the deal done by Dec. 31 to do that 5% or the deal falls apart. There is a power purchase agreement that has to be completed. He was not opposed to the EDIC continuing analysis. They don't have the time. **Rick Noonan**, Planning Board Chair asked to have an explanation of the municipal reimbursement formula versus an independent power Equity Industrial Partners (previously referred to as Gloucester Engineering) reimbursement assessing value to electricity generated through a City meter. Why would an Equity Industrial Partners (EIP) want to take the City credits and run their power through the City meters versus being a net metering customer to the grid? **Mr. Gifford** stated the value of the power is the same. The formula for net metering credits is the distribution component of the bill plus transmission plus transition charges and the basic service charge (the generation) as you would be charged by National Grid all measured in kilowatt hours. You multiply it by the production of the turbines and are expressed in dollar value regardless of the City or a third party owns it and sells 100% to the City. As described it is the same; erecting a project versus selling it at wholesale and getting 5 or 6 cents or selling at retail and getting more than double that. **Mr. Noonan** noted they've talked about the finite resource the City has; and he thought it important to understand the owner of Gloucester Engineering has the beneficiary versus the actual tenant. Conceptually there could be four wind turbines there with no real benefit to the City. **Councilor Tobey** understood there is a negotiation that is underway of the City to receive benefit from EIP. **Mr. Duggan** stated the negotiation is being done by Attorney Egan, Mr. Cademartori, himself and the consultants. The Councilor then asked what their benchmark is so they can measure. **Mr. Duggan** stated there isn't much out there. **Mr. Cademartori** stated in terms of other similar structured projects like this, economics of the project involving a municipality is fairly new. **Councilor Tobey** asked how many the consultants had seen in MA. **Mr. Gifford** noted the ones that come to mind are by municipal light and power companies. Scituate is about to build one third party owned and have negotiated a PPA. **Attorney Egan** thought it on private land but with a public component. **Councilor Tobey** asked if the deal had been consummated and if they could receive a copy of it. He was concerned they make sure that their getting more is not at the expense of the City. **Attorney Egan** stated they have sticking points where they are saying in the negotiating process is that they need information because this is a new agreement and new thing for the City and Massachusetts; and they need as much disclosure and information as possible. A real partnership is everyone is on the same playing field which is the difficult part. **Mr. Gifford** is working with them to understand what the City should be looking for in economic benefit. **Councilor Tobey** noted the Council will be approving this deal and then asked if the statutory situation in Massachusetts is unique or would other states situations be able to provide information. **Mr. Gifford** stated the Commonwealth is out ahead of the curve for allowing for such large systems. It is not generally the same in other parts of the country. The Councilor thought these other states might have some information that would be helpful as they negotiate. **Mr. Gifford** agreed; however, he cautioned the benefits will be site specific as are the costs. **Mr. Barratt** noted that they looked at the City turbine on City land with a third party and have information specifically that can be used for this situation. They're not exactly apples to apples and have to be dissected more closely. The analysis they did with the benefits of the cost savings the City would receive would be useful for negotiations. **Sam Cleaves**, Clean Energy Commission Chair understood the City has a substantial wind resource and would be cautious in going too quickly. They have looked extensively; and this is by far, in the Commission's opinion, is the

best spot for wind. The smaller turbines all have issues, and was interested what the best value would be over the long run. Also, their neighbors, even though they have municipal light companies, Ipswich is a 1.65 MW done by General Electric who takes care of it over the life of the project. They are also looking to add a second turbine. He argued this is a highly prized resource with or without the tax credits. And it is a 20 year project. **John Moskal**, Clean Energy Commission member noted the rules are very new, only passed in 2008, and in 2009 the State wrote the regulations. This is breaking new ground. He had not heard of a deal of the type being structured the Gloucester Engineering proposal in MA. **Mr. Cademartori** noted Boreal separate from the study was third party projects. The approach for the municipal site is someone else would deal with that. You would not deal with a situation was they are right now where someone else is offering the terms. **Councilor Tobey** wondered what the expectation of the development community as to the financial return was, and thought that information might be helpful. **Mr. Moskal** stated you'd have to look at 30 turbine projects. An Ipswich type of project is different economics as they are a light and power company. Whatever Gloucester decides, it will not be seen in the rest of the State. There is not a lot of background to go by. **Ms. Bernie** asked if net metering is set in stone or can it be changed politically. Could it be undone? **Mr. Barrett** stated the basics are protected in federal law. The benefits are in state law and could be adjusted. Legislation would have to be done to repeal it. **Mr. Moskal** noted contracts in place, even if they changed the rules by legislation, would be grandfathered in. **Mr. Gifford** added what the legislation does is identifies a formula. The value of those components and legislation doesn't set the rates. The basic service component will be based mostly on the future pattern of natural gas prices. There is some uncertainty that is projected in the report. **Council President Hardy** noted the presence of Councilors Elect Melissa Cox and Steven LeBlanc. **Councilor Elect Melissa Cox** asked about "acts of G-d" and would that be built into contract should a turbine just stops working. **Attorney Egan** stated the agreement is to purchase the energy produced. If there is no energy being produced, there is nothing that is obligated to be purchased. If they own it they still have to pay the debt, which **Ms. Bernie** pointed out. **Councilor McGeary** stated they live in a capitalist society. The details of the contract have to be fleshed out. He expressed his concern that the City has an opportunity to get something for nothing and that they're taking too long to analyze it. **Mr. Duggan** noted the capacity of the bond is the most important decision the Administration will make. Their capacity to bond is there. Considering the savings, revenue streams that could offset it, they're fine. They'd be looking to accept that responsibility if that is the decision collectively. **Councilor McGeary** asked if they had to do West Parish School, secondary water treatment plant, a combined emergency services facility. **Councilor Tobey** stated there is plenty of room for borrowing; but it needs to be a specific source of revenue for that funding. **Councilor Verga** agreed with Councilor McGeary and Mr. Duggan, are they going to work with Gloucester Engineering so that they don't end up with nothing. **Mr. Duggan** stated they've been aggressive in their meetings and are meeting with them tomorrow. They're communicating and are sensitive to their timeline. Their timeline is the end of this year. They'd like to spend 5% by the end of 2011. **Council President Hardy** asked when they anticipate putting this agreement in front of the Council for referral. **Attorney Egan** responded when they have an agreement with Gloucester Engineering that would warrant it. They are proceeding in good faith. **Councilor Tobey** gathered when they are talking about Gloucester Engineering they're talking about the "landlord". **Tom Balf** of the Clean Energy Commission stated they came in front of the Commission nine months ago about a solar array and hasn't seen that happen and expressed concern. **Councilor Theken** asked what happens on the City side obligation if the entity goes bankrupt. **Attorney Egan** stated that is part of their negotiation. **Councilor Theken** believed in the turbines but wanted to be sure they look at the guarantee that a large percentage of their employees have to be Gloucester residents. She asked when they negotiate that when they leave what they are liable for is clear. **Mr. Duggan** stated they are negotiating that. **Councilor Hardy** asked where they are going then from here and **Councilor McGeary** asked they attempt to get the Scituate agreement. **Council President Hardy** reminded that the contract needs to get before the Council soon.

A motion was made, seconded and voted unanimously to adjourn the meeting at 8:49 p.m.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **Gloucester Municipal Wind Project dated October 19, 2011 submitted by Gregg Cademartori, Planning Director**

- **Independent Review of Boreal Wind Turbine Feasibility Report for the Gloucester EDIC dated November 9, 2011 submitted by Stephen Barrett, HMMH**