

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL**October 24, 2022****7:00 P. M.**

The regular meeting of the Lexington City Council was called to order at 7:00 P. M. by Mayor Spencer Johansen in the City Council Chambers at City Hall.

Mayor Johansen led the council in the Pledge of Allegiance.

Roll call was taken to find the following physically present: Mayor Johansen, Alderwoman Wilson, Alderman Mattingly, Alderman Franklin, Alderman Little, Alderman Richard and Alderman Stover. Members of the public present were Jason Hawksworth and Kenneth Sours.

It was moved by Alderman Little and seconded by Alderman Mattingly to approve the minutes of the October 10, 2022 regular session City Council meeting. Motion carried unanimously.

It was moved by Alderman Stover and seconded by Alderman Franklin to approve the Treasurer's Report and paying of the bills in the amount of \$88,236.18. Motion carried unanimously.

Public Input: None

Old Business:**Solar Presentation by Jason Hawksworth with Hawk-Attolio for Water-Sewer Plants**

Jason Hawksworth had met with Mayor Johansen, Billy DuBois and Alderman Franklin a couple of weeks ago. He had worked up a presentation to present to the City Council for the Water Plant only.

He explained that the Water Plant uses 150,000 kilowatt hours annually based on the last 12 months and they designed a 105 kilowatt system which will produce about 90% of that on an annual basis. That 90% refers to the annual consumption for that facility. As the system generates energy you will receive benefits for that energy.

The net metering of the system per month works that if your needs are 10,000 kilowatts and your system generates 10,000 kilowatts your charge would be zero but you would still have a meter charge and a customer charge of about \$25.00. You will generate an excess of kilowatt hours in the summer to be used to offset your shortage of kilowatt hours in the winter. April will be the month when excess hours will be evaluated. Any excess credits will be lost. You will not want to overbill the system.

A 105 Kilowatt system would typically cost around \$300,000 to build and that's assuming American Made Modules and American Made Micro Inverters. Those two components are important because they determine ITC%(Solar Investment Tax Credit). As a village and

non-profit you will be able to take advantage of a tax credit of 40% cash payout. Using American made products will boost that payout by 10%. Standard Tax Credit would be 30%. That 40% should bring \$120,000 back to the city. It was not known the timeframe to receive that rebate.

Solar Renewable Energy Credit comes from Ameren. The state has mandated that a certain percentage comes from renewable resources. This marketplace resource was created by the state for the equivalent of 1,000 kilowatt hours. Every time the system generates 1,000 kilowatt hours you get a certificate and the credit value is established by the state. Ameren will send a check to the system owner. This Solar Renewable Energy Credit is paid out quarterly over six years. This rebate would be \$96,000 over time for the first six years, 15% up front and the remaining 85% over the remaining 23 quarters. This assumes a .5% annual panel degradation and a 2% annual increase in retail energy prices. Panels have a 25 year warranty and will produce power for 30+ years. Some level of annual maintenance and insurance cost will be required.

Hawk-Attollo takes care of international power companies and also makes contact with Ameren. That is all included in their contract. Not included is a collateral fee.

The question was asked when the work is finished, does someone need to approve or is there a lag time? The market is rapidly growing and there may be a couple of weeks before ready to go.

The question was asked as to how much space they would need? The answer was they would need 20,000 square feet. It was felt there was plenty of space at the Water Plant property.

Everything is covered by an annual warranty for \$2,000 and includes annual checks. We can use our own local electricians or contract with Hawk-Attollo but then they contract out to local electricians to do the work and they would monitor. There is no economic value to go with them as they have no electricians on staff.

Ameren does require proof of insurance.

The calculated loss on the panels is ½% per year and that is figured into the warranty. Panels are 300-400 watts this is 250 watts. We could build 260 watts and give us extra. You can add more panels at a later date.

Additional cost based on size 100 kilowatt is a threshold, if you go larger it will put you in a lower payout. They store on site and never export.

Mayor Johansen acknowledged Billy Dubois and Jason Hawkworth's work to put together this presentation and will schedule Strait-up Solar for the next council meeting.

Update on Landlord Property

It was noted that 48 notices to landlords had been sent out and there have been 24 responses. Mayor Johansen was looking for solutions to how we should handle the next step. Should

second notices be sent out? We cannot keep sending out notices. We need to set a deadline. Alderwoman Wilson thought we should set the \$50 fine back in the ordinance or a fee.

Alderwoman Wilson will draft a second notice. If we do not get a good response, then we will start ticketing for an ordinance violation. We would like to get this done before the need for furnaces to be turned on.

New Business: None

COMMITTEE REPORTS:

Mayor’s Report: Mayor Johansen reported on the following items:

He attended the Senior Citizen Potluck and talked about the sales tax increase. They understand that we are still lower than several towns around. He heard no negative comments. This tax does not affect their grocery bill. He also told them that if it doesn’t pass the city will figure something else out.

The video went out and was a huge success. He believes it will bring people to town and attract attention to Lexington. There was one business that was unhappy because they were left out.

Carey Davis has received Farnsworth’s preliminary numbers of \$3.6 million. This includes the cost of installing water mains and storm sewers. He has asked our guys to call and price out materials alone. Carey can do a lot of the work himself at a lower price. We will know more after we get those numbers. That puts the price of the lots at \$45,000 and doesn’t include what Carey needs to make a profit.

Police: Alderman Richard reported that the Chief had taken a CPR and Life Saving Class.

Officer Kolat is still doing well at the academy. We have received a \$6,000 bill for the academy which we are no longer reimbursed for. He graduates December 9, 2022.

Building/Insurance Alderman Franklin reported that they have to redo their building insurance. They have been adding and deleting buildings and vehicles to correct what is covered.

Finance /TIF None

Water/Sewer/Sanitation None

Mayor Johansen commented that they have been marking fiber optics. They have been up on people's property but feel residents want to see improvement on the internet and more choices. They have one person on the crew who speaks English and the rest speak Spanish, Carlos has been a big help in translating. The company has agreed to come back and clean up the yards when they are finished.

Street/Alley: None

There being no further business, a motion was made by Alderman Franklin to adjourn at 7:46 P.M. Motion carried by unanimous voice vote.

Respectfully submitted,

Pati Pease

City Clerk

Approved: November 14,2022