Town of Norwood
NEW Light Department Facility PROJECT
136 Access Road

Special Town Meeting #1
Article #2 - Presentation
November 8, 2018
Town of Norwood
NEW Light Department Facility PROJECT

Why does the Town need a new Light Department Facility?

- The existing operations are spread out at THREE different sites
- Responsibilities have INCREASED significantly over the decades along with vehicles, equipment, and staff
- The facilities no longer meet the needs of the Light Department/Town
- Efficiency of operations and employee safety are NEGATIVELY impacted by the substandard conditions
Why does the Town need a new Light Department Facility?

- The existing main facility on Central Street was built in 1928 and is 90 years old.
Why does the Town need a new Light Department Facility?

High value equipment stored outdoors reducing equipment life expectancy and impacting response times
Town of Norwood
NEW Light Department Facility PROJECT

**Why does the Town need a new Light Department Facility?**

*Trucks Outside – Rain and Snow*
Why does the Town need a new Light Department Facility?

Note condition of reels left to weather outside, jeopardizing power cable stock and work efficiency.
Town of Norwood
NEW Light Department Facility PROJECT

Why does the Town need a new Light Department Facility?

Reel trailer shown here along with other miscellaneous materials that need to be cleared for access during inclement weather.
Why does the Town need a new Light Department Facility?

In addition to materials required for daily operations, essential distribution components are also stored outside. Pictured here are high value transformers essential to keeping the power grid in the Town up and running.

Chapel / Washington Street
What is Proposed?

- Town acquired 136 Access Road in 2016 to support new/upgraded facilities for the Norwood Light Department.
What is Proposed?

Since purchasing the property, the Town has:

- Retained Weston & Sampson to complete a Conceptual Design
  - Space Programming
  - Preliminary Estimating
- Retained Compass as Owner’s Project Manager
  - Design Review
  - Phasing Analysis
  - Cost Management
- Completed Schematic Design and Reconciled Cost Estimates
- Ongoing Cost Management
- Reduction of Contingency by Advanced Bidding
- Bid Process Complete – GC Bids received Monday, October 22
- Financing Strategy
Town of Norwood
NEW Light Department Facility PROJECT

What is Proposed?

- The property the Town acquired at 136 Access Road includes an existing +/- 58,000 SF structure
What is Proposed?
Town of Norwood
NEW Light Department Facility PROJECT

What is Proposed?

Renovated Norwood Light Facility

Access Road
Town of Norwood
NEW Light Department Facility PROJECT

First Floor Plan
- Customer Service, Broadband, & Staff Support
- Warehouse Storage
- Light Department Vehicles / Equipment
- 2nd Floor Administration / Staff Support / Storage

Second Floor Plan

VIEW

COMPASS
Weston&Sampson
Town of Norwood
NEW Light Department Facility PROJECT

What are the Benefits?

What will an updated and improved facility do for the Light Department & Community?

- Provide code compliant and safe work environment for Light Department employees
- Protect the Town’s multi-million dollar investment in vehicles, equipment, and materials
- Create more efficient work space and response times
- Consolidate operations improving operational efficiencies
Town of Norwood
NEW Light Department Facility PROJECT

What are the Benefits?

Efficient and safe warehouse/inventory storage area
Town of Norwood
NEW Light Department Facility PROJECT

What are the Benefits?

Sample Photo
Sample Photo

Efficient office / office support space
Town of Norwood
NEW Light Department Facility PROJECT

What are the Benefits?

Protection of the Light Department vehicles for efficient and safe response to customer needs
Project Request/Funding Summary – $13,200,000

Sources of Funding

• Reauthorization from Transmission Bond: $700,000

• New Bond Authorization: $12,500,000

• Total Article 2 Request $13,200,000

Impact on Rates: No Increase Required for this Project
<table>
<thead>
<tr>
<th>Classification Name</th>
<th>80% CDs Estimate 8/7/2018</th>
<th>NMLD Final Budget</th>
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<tr>
<td>PM ST</td>
<td>$ 481,500</td>
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<tr>
<td>A&amp;E ST</td>
<td>$ 1,036,500</td>
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<td>A&amp;E ST</td>
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<td>Administration ST</td>
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<tr>
<td><strong>Construction</strong></td>
<td></td>
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<tr>
<td>Construction - No phasing</td>
<td>$ 11,297,405</td>
<td>$ 10,487,000</td>
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<tr>
<td>Bid Alternate #1: New Metal Windows</td>
<td></td>
<td>$ 100,000</td>
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<tr>
<td>Bid Alternate #2: Replace Garage Roof</td>
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<td>$ 440,000</td>
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<td>Bid Alternate #3: Generator</td>
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<td>$ 190,000</td>
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<tr>
<td><strong>Construction ST</strong></td>
<td>$ 11,297,405</td>
<td>$ 11,217,000</td>
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<td><strong>Furnishings and Equipment and Technology</strong></td>
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<tr>
<td>Furnishings; Fixtures; Equipment</td>
<td>$ 210,000</td>
<td>$ 210,000</td>
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<td>Phones and A/V</td>
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<td>Communications, Radios, Specialty Systems</td>
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<td>Computers and Technology</td>
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<tr>
<td>Tel/Data Premise Cabling</td>
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<td>Security</td>
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<td><strong>FF&amp;E/TECH ST</strong></td>
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<td><strong>Project Total Excluding Contingencies</strong></td>
<td>$ 13,724,405</td>
<td>$ 13,644,000</td>
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<td><strong>Contingencies</strong></td>
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<td>Construction Contingency</td>
<td>$ 564,870</td>
<td>$ 560,850</td>
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<td>Owners Project Contingency</td>
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<td><strong>Contingency ST</strong></td>
<td>$ 677,844</td>
<td>$ 673,020</td>
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<td><strong>Project Total - Design and Construction Phases</strong></td>
<td>$ 14,402,249</td>
<td>$ 14,317,020</td>
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Includes Engineering and Design Costs ($1,117,000) previously funded from Light Dept. Depreciation Accounts

$85K Below Estimate
Town of Norwood
NEW Light Department Facility PROJECT

Project Cost/Funding Summary

Light Debt Service

Total Debt Service is Flat
Dramatic Decrease after FY23

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Access Rd Princ</th>
<th>Access Rd Int</th>
<th>Total</th>
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<td>2018</td>
<td>7,365,000</td>
<td>2,261,287</td>
<td>0</td>
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<td>2019</td>
<td>7,477,900</td>
<td>1,896,447</td>
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<tr>
<td>2020</td>
<td>7,609,000</td>
<td>1,638,394</td>
<td>-</td>
<td>562,500</td>
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<tr>
<td>2021</td>
<td>7,645,000</td>
<td>1,338,749</td>
<td>-</td>
<td>534,375</td>
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<td>2022</td>
<td>7,257,000</td>
<td>1,026,121</td>
<td>625,000</td>
<td>506,250</td>
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<td>2023</td>
<td>7,435,000</td>
<td>728,031</td>
<td>625,000</td>
<td>478,125</td>
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<td>2024</td>
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<td>518,644</td>
<td>625,000</td>
<td>450,000</td>
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<td>2025</td>
<td>2,770,000</td>
<td>401,281</td>
<td>625,000</td>
<td>421,875</td>
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<td>2026</td>
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<td>313,031</td>
<td>625,000</td>
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<tr>
<td>2027</td>
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<td>253,856</td>
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Town of Norwood
NEW Light Department Facility PROJECT

Project Cost/Funding Summary

Authorize Bond - $12.5 Million

- Bids Opened – prices in hand – Came in Under Budget
- Ask TM for up to $12.5M Bond Authorization
- Last two projects we have borrowed less than authorized
- Allows greater flexibility with Depreciation
- Depreciation allows a hedge against construction inflation and ability to carry a lower contingency
- Maintain Credit Rating by having funds available
Completed Steps

• Evaluate Bid Results on Monday October 22nd

• Obtain Board approval to proceed on October 23rd

• Open House on October 27th and Public Meeting on November 1st

Next Steps

• Light Commissioners Vote to Ask TM for Bond Approval on November 6th

• November 8th Special Town Meeting – Bond Approval

• Award Contract for Construction
# RESIDENTIAL RATE COMPARISON
## BETWEEN NORWOOD ELECTRIC AND EVERSOURCE ELECTRIC

### MONTHLY

<table>
<thead>
<tr>
<th>USAGE</th>
<th>NLD 7/1/2018</th>
<th>EVERSOURCE 7/1/2018</th>
<th>Difference</th>
<th>Monthly Annual Difference</th>
<th>%</th>
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<tr>
<td>100</td>
<td>$24.26</td>
<td>$29.31</td>
<td>$5.05</td>
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<td>250</td>
<td>$47.16</td>
<td>$62.79</td>
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<td>350</td>
<td>$62.42</td>
<td>$85.10</td>
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<td>550</td>
<td>$92.95</td>
<td>$129.73</td>
<td>$36.78</td>
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<td>600</td>
<td>$100.58</td>
<td>$140.88</td>
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<td>700</td>
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<td>$47.36</td>
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<td>800</td>
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<td>900</td>
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<tr>
<td>1000</td>
<td>$161.63</td>
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<td>1200</td>
<td>$192.16</td>
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<td>2000</td>
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<td>2500</td>
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<td>5000</td>
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<td>$1,122.70</td>
<td>$350.55</td>
<td>$4,207</td>
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**550 kWh is Average Monthly Usage**
Residential Rate Comparison

Monthly KWH Usage

MONTHLY COST

MONTHLY KWH USAGE

NLD
EVERSOURCE
DIFFERENCE