May 13, 2019
Selectboard Executive Session
1 Avenue A, Turners Falls, MA
8:23 PM

Present : Selectpersons Chris Boutwell, Michael Nelson, and Rich Kuklewicz, Town Administrator Steven Ellis, and Executive Assistant Wendy Bogusz, Karen Tonnelli Director of Assessing

RE: Anticipated executive session in accordance with G.L. c. 30A, §21(a)(3), to discuss potential litigation concerning FirstLight, Votes may be taken

Documents and Exhibits: Letter from Bulkley Richardson dated May 7, 2019, FirstLight Hydro v. Town of Montague – Proposed Offer to Settle, Fuss & O'Neill, Inc. Letter dated April 25, 2011 and Exhibit 1 – Opinion of Cost A

- Kuklewicz feels discussion of bridges should be separate discussion and there needs to be a better understanding of the cost implementation.
- Ellis states the bridge will be a separate discussion as there is no way the IP bridge could be assessed until the Canal is drained in September
- Nelson would like to know what are the costs to maintain the bridge for the next 10 years?
- Tonelli wants to know why they want to get rid of the bridges other than liability?
- Discussion about Overlay and interest repayment if it doesn't go our way.

Tonelli: We are currently at the appeals court. They filed at the beginning of the year, asked for an extension to file their brief and they were given 60 days until May 20th to file. I have heard nothing all this time. Last week we were notified there is an offer coming and asked for more time. I firmly believe that delaying only helps them and hurts us. Ultimately, whenever we have to worry about potentially paying this many years interest, puts us in a situation where when we do the numbers its' quite scary. It's notorious that people using the appellate tax board will wait knowing that's 28% which pays for their attorney fees. I didn't want to give them that. I told our attorney no more extensions. The appeal court is more expensive for them, not us. If it goes to court we won't hear back until probably January 2020.

Ellis thinks go in at $128,500,000; feels we should make a reasonable offer. Could have a 2 phase offer, willing to talk about evaluations if you remove bridges from the conversation then we won't have given up our offer. We can have discussions about the bridge later on.

Kuklewicz: We could say take down pedestrian bridge, pay your taxes, give us $2 million and we'll take possession of that bridge. I really think I want to separate the taxes from the bridges. They think the bridges are a leveraging point, but it actually makes it worse, not better for them.

- Brief discussion about the IP bridge.
- Bridges need to be divorced from the conversation.
- Willing to have meeting to discuss evaluation, bridges are not part of the discussion, are you willing to continue with the discussion? If they say no we know how important bridges are.

Tonnelli: We feel very confident our appeal will not be over turned and the Mass Appeals Court will not overturn the Appellate court's decision. Worth talking to them because of the amount of litigation, but there are so many unknowns. I think we should make a slim offer, tell them no bridges and see if they want to talk. This is where we start the volley back and forth with the numbers; we don't want to offer our lowest at this point.

Nelson makes the motion to throw out talking about the bridges but tell them we are willing to talk about the bridges and we understand they have made a serious offer about the bridges. We would be willing to enter into discussions regarding the taxes, we agree with them on the 2015 and 2016 and would be willing to enter in on 2017, 2018, 2019, 2020 & 2021 but not give value. Ask if we could have a direct meeting and authorize Karen, Steve and Rich to negotiate with them face to face with a floor of $126,000,000 is absolute lowest. Seconded by Boutwell, approved unanimously. Boutwell – Aye, Nelson – Aye, Kuklewicz – Aye No delays to be given

- Any offer will be brought back before the board

Kuklewicz: Let's throw out we do not want to talk about the bridges, but are willing to talk about them, and we understand they have made an offer.

- Discussion on dates to meet (3 dates to meet: May 21, 28 and June 11)
- Kuklewicz would like to have a spreadsheet that would plug in numbers and could immediately see what the numbers are during the meeting

Nelson makes the motion to adjourn the executive session at 9:21 PM. Seconded by Boutwell, approved unanimously. Boutwell – Aye, Nelson – Aye, Kuklewicz – Aye No delays to be given Nelson makes the motion to adjourn the meeting at 9:21 PM. Seconded by Boutwell, approved unanimously. Boutwell – Aye, Nelson – Aye, Kuklewicz – Aye

Approved:

✓ Boutwell ✓ Kuklewicz ✓ Nelson

Release to the Public:

✓ Yes ____ Not Yet 8/23/21 Date

Date Released to the Public: 9/15/21

FirstLight Hydro v. Town of Montague - Proposed Offer to Settle

Par ID	Address	2017	Annual Taxes	Abatement
05-0-151	26 Power	6,871,418	172,403.88	
08-0-1	15 Cabot	108,957,220	2,733,736.65	
PP	PP	19,410,080	486,998.91	
Totals:		**135,238,718**	**3,393,139.44**	
		9,238,718		$231,799.43
Offer 5/13/19		126,000,000		

		2018		
05-0-151	26 Power	6,871,418	178,107.15	
08-0-1	15 Cabot	108,957,220	2,824,171.14	
PP	PP	19,410,080	503,109.27	
Totals:		**135,238,718**	**3,505,387.56**	
		9,238,718		$239,467.57
Offer 5/13/19		126,000,000		

		2019		
05-0-151	26 Power	6,871,418	179,962.44	
08-0-1	15 Cabot	108,957,220	2,853,589.59	
PP	PP	19,410,080	508,349.99	
Totals:		**135,238,718**	**3,541,902.02**	
		9,238,718		$241,962.02
Offer 5/13/19		126,000,000		

Current Balance in Overlay	$2,260,787.85
Total Abatements:	$713,229.02
Balance in Overlay	$1,547,558.83
Est. cost of holding values going forward for FY2020 & FY2021	
(using this years tax rate)	$483,924.04
Total est. cost of settlement offer in tax dollars:	**$1,197,153.06**
Average amount raised in overlay since FY2014:	$433,893.00
Est. average overlay needed w/o FirstLight litigation	$125,000.00
	$308,893.00
In the event of a decision in favor of FirstLight is issued after an ATB trial	
8% interest would be due and calculated from the actual due date.	
Interest from 4/1/17 to date on $713,229.00:	$62,818.23
Note: interest could potentially be calculated back to 4/1/14	

BULKLEY

ATTORNEYS AT LAW

Daniel J. Finnegan, Partner
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fax: 413-272-6395
dfinnegan@bulkley.com

May 7, 2019

VIA ELECTRONIC MAIL

Ellen M. Hutchinson
Law Office of Ellen M. Hutchinson
100 Cummings Center
Suite 207-P
Beverly, MA 01915

Dear Ellen:

I am writing to propose a resolution of the ongoing property tax disputes between Firstlight Hydro Generating Company ("Firstlight") and the Town of Montague; as well as to propose a transfer of two bridges that are currently owned by FirstLight to the Town. As discussed in detail below, Firstlight proposes resolving these matters in a three-component settlement involving (1) settlement of the tax cases now pending at the ATB; (2) entering into an agreement on valuation going forward; and (3) transfer of the bridges to the Town under a separate agreement. The following is a summary of the background to put this proposal in context.

The property in question in the tax appeals is part of the Cabot Station and Turners Falls Hydro-Electric Generating Facilities (the "Project"), parts of which are located in both Montague and Gill. Historically, Montague and Gill have retained George Lagassa of Mainstream Associates to appraise the Project for assessment purposes and have set the taxable values based on that appraisal.

I am enclosing a spreadsheet summarizing the assessed values, and the allocation of those values between the towns, for each fiscal year from 2013 through 2019. As shown, the total assessed value of the Project was $89,392,740 in FY 2013. The value increased approximately 48% in FY 2014 to $132,390,900. The assessment was increased again in FY 2017 to $155,733,760 which is 17% higher than in FY 2014, and 74% more than the value placed on the Project for Fiscal 2013, just four years earlier. In addition, because the allocation of the total value of the Project by Mr. Lagassa to the property located in Gill and Montague has skewed more in Montague's favor over time, FirstLight's tax burden in Montague has nearly doubled from FY 2013 to FY 2019, rising from approximately $2.15 million to over $4.2 million (an increase of nearly 96%).

The market conditions over this period of time simply do not support such an extreme increase in the assessed value of the Project. As you know, the property must be assessed at its fair market value. In connection with the ATB hearing relating to the FY 2014 appeals, both Mr. Lagassa (for the towns) and Ann Bulkley of Concentric (for FirstLight) prepared expert

appraisal reports, valuing the Project. Although various valuation approaches were used by both appraisers, they both place significant weight on the income approach, and in particular the discounted cash flow income approach, as the most reliable method to use in valuing a merchant generation property such as this. When purchasing income producing property such as a generating facility, the approach to value used by market participants is an income approach. Mr. Lagassa stated in his FY 2014 appraisal (p. 86), "we believe the market value is best indicated by one or both of the income approaches to value." Mr. Lagassa's reconciled value was within 2% of his discounted cash flow indicator. Ms. Bulkley also relied primarily on her discounted cash flow indicator.

One of the main differences between the appraisals prepared by Mr. Lagassa and Ms. Bulkley is the discount rate applied to capitalize future income to present value. Mr. Lagassa employed a discount factor that incorporated investment-grade debt. Ms. Bulkley noted that merchant generating companies do not enjoy investment grade debt and used a discount factor that incorporates the higher-cost, below-grade debt that is more typical of a merchant generator. At trial, Ms. Bulkley testified that using her discount rate in Mr. Lagassa's DCF model would result in a value very close to her own value, which was **$92.8 million** for all of the property in Montague. This is consistent with the impact a higher debt cost will necessarily have on value, because a higher discount factor will result in a lower present value for a given amount of future income. Thus, using Ms. Bulkley's more realistic discount rate—whether in her model or in Mr. Lagassa's—results in a lower value well below $100 million for the project using the DCF approach.

In addition, the DCF models of both Mr. Lagassa and Ms. Bulkley are based upon projected estimates of future energy prices. With the benefit of a few years of hindsight, it has become apparent that those projections have not played out as expected. Energy prices over the past several years have been significantly lower than the 1/1/13 projections anticipated. While this could not have been known on 1/1/13, the fact that energy prices have dropped lower than expected means the facility's ability to generate revenue has been more limited than forecast. As a result, its value as an income-generating property is lower than the projections would have indicated.

Finally, as you know, FirstLight is still in the midst of the FERC re-licensing process for the Project. The expenses associated with that process, along with the anticipated cost of mitigation measures and restrictions likely to be imposed by the new license will negatively impact revenue generated by the Project going forward. Given that buyers in the market focus on income, any reduction in revenue will further reduce the market value of the Project.

With that background, Firstlight proposes the following three components of a potential settlement: (1) that the parties settle the pending ATB appeals; (2) that the parties agree on a

valuation to be applied to FirstLight's property going forward; and (3) that the company transfer ownership of the two bridges to the Town for agreed upon terms. This is a suggested settlement proposal for discussion purposes:

1. FirstLight agrees to dismiss the appeals for Fiscal Years 2014, 2015, and 2016.

2. The parties settle the appeals for Fiscal Years 2017, 2018, and 2019 by agreeing to an assessed value of $117,000,000 for the parcels under appeal. That is equal to the approximate assessed value for the portion of the Project located in Montague as assessed for Fiscal Years 2014-2016 and is significantly above the value that either appraisers DCF's yield when the discount rate is corrected. This reduced valuation would result in a total abatement over the three years of approximately $1.9 million.

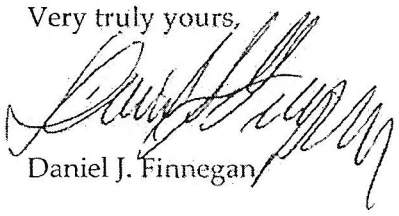
3. For Fiscal Years 2020 and 2021, the parties agree to an assessed value of $110,000,000 for the portion of the Project property located in Montague.

4. When the Project property is revalued for Fiscal Year 2022, FirstLight will work cooperatively with the Assessors and Mr. Lagassa (or other appraiser hired by the Assessors) in the revaluation process.

5. In a separate agreement with the Selectboard, the Town will take ownership of the bridges and convey any necessary rights of way to FirstLight. FirstLight will agree to provide $1,000,000 to the town for use for maintenance and repair of the bridges. Alternatively, FirstLight is willing to discuss the expenditure of $1,000,000 by the company to maintain and repair the bridges prior to their transfer to the Town.

If you have any questions regarding this proposal, or would like to discuss it generally, I would be happy to do so at your convenience. Please discuss this proposal with your client and let us know their thoughts.

Very truly yours,

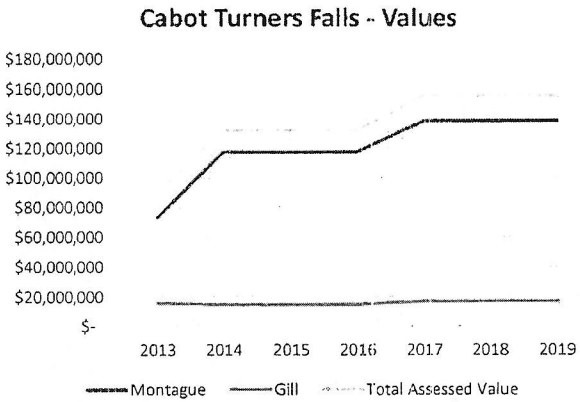


Daniel J. Finnegan

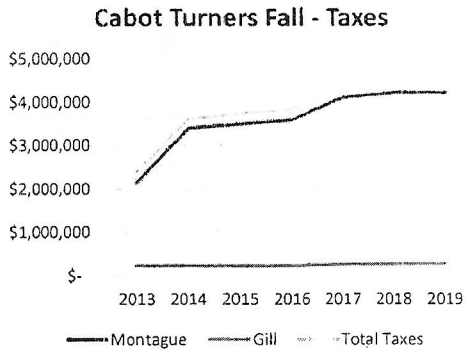
DJF:sec

3095164

Cabot Turners Falls Assessments



FY	Montague	Gill	Total Assessed Value
2013	$ 73,541,340	$ 15,851,400	$ 89,392,740
2014	$ 117,493,100	$ 14,619,900	$ 132,113,000
2015	$ 117,493,100	$ 14,675,800	$ 132,168,900
2016	$ 117,588,500	$ 14,562,100	$ 132,150,600
2017	$ 138,599,988	$ 17,032,000	$ 155,631,988
2018	$ 138,599,988	$ 16,895,600	$ 155,495,588
2019	$ 138,599,988	$ 16,895,600	$ 155,495,588



FY	Montague	Gill	Total Taxes
2013	$ 2,151,738	$ 243,160	$ 2,394,898
2014	$ 3,396,221	$ 245,322	$ 3,641,543
2015	$ 3,498,333	$ 247,287	$ 3,745,620
2016	$ 3,597,798	$ 246,828	$ 3,844,626
2017	$ 4,096,906	$ 282,391	$ 4,379,297
2018	$ 4,201,936	$ 290,266	$ 4,492,202
2019	$ 4,207,368	$ 290,266	$ 4,497,634

FUSS & O'NEILL
Disciplines to Deliver

April 25, 2011

Mr. Walter Ramsey
Town Planner Conservation Agent
Town of Turners Falls
One Avenue A
Turners Falls, MA 01376

RE: Evaluation of Existing Bridges over Power Canal
Fuss & O'Neill Reference No. 20080367.A30

Dear Mr. Ramsey:

On March 23, 2011, Fuss & O'Neill Inc. (Fuss & O'Neill) conducted a condition evaluation of the Fifth Street Bridge and the FirstLight Power Resources (FLPR) Head Gate Bridge over the power canal in Montague, MA. As part of the redevelopment of the former Strathmore Mill Complex, the Town needs to determine if the existing bridges are capable of supporting vehicular loads associated with the construction of a one-way loop road system through the northern portion of the mill complex.

The intent of our evaluation was to review existing documentation and to perform a visual evaluation of the bridges to identify any obvious signs of degradation that would impact the ability of either bridge to carry the proposed roadway and associated loads. Through conversations with the Town, FLPR and the Massachusetts Department of Transportation (MassDOT) we have obtained documentation pertaining to the current condition of both bridges. A review of this documentation was made in order to determine the potential of using the bridges for access to the mill complex. This letter represents the findings of our research and bridge evaluations, and includes recommendations regarding the future use of the bridges for vehicular access to the mill complex.

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FLRP HEAD GATE BRIDGE

The existing FLPR Bridge is a two span steel Modified Warren Pony Truss supporting a single 12 foot wide travel lane. The bridge is currently being used as a pedestrian footbridge and is not subject to vehicular traffic. The overall length the bridge is approximately 180 feet with approximate skews of 25 degrees at the west abutment, 30 degrees at the east abutment, and 15 degrees at the steel caisson pier bent. The eastern span has an out-to-out width of approximately 18'-11". The out-to-out width of the western span varies from approximately 18'-11" to 23'-8" due to the trusses being splayed outward from the pier bent

to the west abutment. Each truss span consists of four interior truss panels and two end panels. The interior truss panels measure approximately 15'-6" in length. The length of the end panels varies due to the skew of the bridge.

The roadway supported by the bridge consists of steel pans filled with asphalt. The bridge rail consists of a timber rail system with horizontal top, intermediate and bottom rails, with a chain link fence inserted between the top and bottom rails. The curbing consists of horizontal timbers attached to each edge of the roadway with gaps between each timber for drainage.

Our evaluation found the bridge to be generally in fair condition overall with no areas of substantial concern from a structural standpoint. It should be noted however that our visual evaluation was limited due to the water surface elevation in the canal at the time of our site visit. Only the areas above the top of the floor beams were visible and accessible. The floor beams, underside of the bridge deck, stringers, inside faces of the bottom chords, abutments, and steel caisson pier bent were not visible. Our evaluation noted the following:

- Minor areas of section loss on vertical and diagonal truss members at connections with the bottom chord gusset plates
- Areas of section loss on the top of the floor beams along the edges of the horizontal gusset plates
- Timber railing is not suitable for vehicular traffic
  - A few loose posts were noted on the northern side of the bridge in the west span
- Paint is in poor condition overall
- Top surface of top chords at the ends of each span exhibits heavy surface rust with pitting up to 1/16"
- Asphalt wearing surface in the western span is in poor condition exhibiting multiple transverse cracks
- Joints between the bridge and the abutments are open
  - No bridge joint system in place
- The floorbeams have been supplemented with channel sections bolted to each side of the web

Although original construction documents are not available for this bridge, FLPR hired a consulting firm to conduct an inspection and load rating of the bridge. FLPR provided F&O with this report, the only documentation of the bridge known to exist, for our use and review. The inspection and load rating was conducted in September 2007 by TranSystems Corporation. The inspection was conducted when the canal was dewatered allowing full access to the bridge.

The TransSystem inspection and load rating report noted the following items:

- Severe corrosion and section loss throughout the underside of the steel pans which form the bottom of the deck
- Section loss noted along the top flanges of the stringers due to leakage through the deck
  - Up to a 1/8" loss of section in stringers 2 and 3 near the pier
- Stringers 6, 7 and 8 at the west abutment exhibit section loss along the web due to debris accumulation
  - Stringers 7 and 8 have section loss equivalent to approximately 50% of the original web thickness
- Stone masonry abutments exhibit voids and missing mortar (report indicated that this was not considered a significant condition)
- Steel caisson pier bent has broken bracing connections and missing bracing members
- 1/8"+/- gaps were noted under the bearing plate of stringers 3 and 4 at the west abutment
- 1/16"+/- gap noted under the bearing plate for stringer 2 at the east abutment

The report also indicated that repairs should be made in order to maintain the bridge and continue its safe use. The recommended repairs included the following items:

- Repair deteriorated areas within the webs of steel stringers 6, 7, and 8 located between the west abutment and Floorbeam No. 1
- Grout or shim the gaps under the stringer bearings at the abutments
  - S3 and S4 at west abutment and S2 at east abutment
- Fill voids at the base of the west abutment with concrete
- Clean and paint all structural steel with an approved bridge coating system
- Remove and replace the bridge deck with new steel deck pans and asphalt overlay
  - Utilize a waterproof membrane between lifts of asphalt
- Install new bridge rails suitable for use with vehicular traffic

The TransSystem report indicated that the approximate construction cost for implementing the above repairs was $670,000 in 2007. The report also indicated that the lower cross bracing of the pier bent was being repaired by FLPR at the time of the inspection, and assumed that those repairs were completed prior to reopening the canal.

The TransSystem report provided a rating factor for each bridge component. The load rating analyzed the bridge using four different design vehicles. These included the American Association of State Highway and Transportation Officials (AASHTO) standard HS-20 (36 ton) design vehicle, a 37 ton ready-mix concrete truck, a 26 ton fire truck and a 13 ton sanitation department dump truck. A rating factor represents a percentage of the design vehicle load that the bridge, or component of the bridge, can support. A rating factor of 1.0 or greater indicates that the design vehicle used in the load rating can safely use the bridge.

Rating factors are provided for both Inventory and Operating levels. The Inventory Load Rating represents the capacity of the bridge on an ongoing basis while the Operating Load Rating represents the capacity of the bridge on a limited use basis. Therefore the Operating Load Rating Factor for a given design vehicle will be greater than the Inventory Load Rating Factor for the same vehicle.

The HS-20 design vehicle and the concrete truck produced the lowest rating factors. The Inventory and Operating rating factors of all bridge components for the fire truck and sanitation dump truck were above 1.0 for both the as-built and as-inspected conditions. A summary of the limiting rating factors for the HS-20 design vehicle and the concrete truck are provided below for reference.

Component	HS20 (36 Ton)		Concrete Truck (37 Ton)	
	Inventory	Operating	Inventory	Operating
Stringers (As Inspected) (S7, Span 1 Controls)	0.56 (20.2 Tons)	0.93 (33.5 tons)	0.55 (20.4 Tons)	0.91 (33.7 Tons)
Stringers (As Built)	0.97 (34.9 Tons)	1.62 (58.3 Tons)	0.92 (34.0 Tons)	1.53 (56.6 Tons)
Floorbeams (As- Built)	1.04 (37.4 Tons)	1.73 (62.3 Tons)	0.91 (33.7 Tons)	1.52 (56.2 Tons)
Truss Components (Diagonals Control)	0.72 (25.9 Tons)	1.02 (36.7 Tons)	0.74 (27.4 Tons)	1.02 (37.7 Tons)

Table No. 1 – Rating Factor Summary

The summary table indicates that in its as-inspected condition the bridge was capable of supporting a HS-20 design vehicle or concrete truck only on an occasional basis. The Inventory level rating factor of 0.56 indicates that the bridge can safely carry vehicles up to 20 tons on a continuous basis. The components with the lowest rating factors were the stringers in the west span at the west abutment. Communication with FLPR personnel indicated that these deteriorated stringers have been replaced, meaning that the rating factors for the stringers will need to be revised to reflect their current condition. Unfortunately, the size of the replacement stringers is not known and can not be correlated to the as-built ratings provided in the TransSystem report. If the deteriorated stringers have

been replaced in kind, the Inventory level rating factor is controlled by the truss diagonals and increases to 0.72, meaning the bridge could safely carry vehicles up to 25 tons on a continuous basis.

It should be noted that the load rating indicated the use of an Impact Factor of 1.3 during the analysis of each vehicle. The Impact Factor is used to account for the dynamic effect of the design vehicles traveling over the bridge at highway speeds. This factor is based on the length of the bridge span being analyzed and does not take into account characteristics of the traffic using the bridge. A review of the AASHTO Impact Factor requirements seems to indicate that the maximum Impact Factor required would be on the order of 1.25. In addition, given the geometry of the bridge, and characteristics of the traffic that will use the bridge, lowering the Impact Factor to 1.10 may be warranted. Lowering the Impact Factor will decrease the dynamic effect of the live loads and in turn increase the load rating factors for each structural component.

In order for the design vehicles to use the bridge on a continuous basis, the diagonal truss members will need to be strengthened. If the diagonal members are strengthened the overall Inventory and Operating Load Ratings for the bridge will be controlled by the as-built capacity of the original stringers (0.97 for the HS-20 design vehicle and 0.92 for the concrete truck. Furthermore, if the load rating is revised, taking into account a reduced Impact Factor representative of the anticipated traffic flow, these rating factors will likely be above 1.0. This means that the bridge can be used for access without a weight restriction. In addition, reducing the Impact Factor will also reduce the amount of strengthening required by the diagonals to achieve Inventory Rating Factors greater than 1.0.

FIFTH STREET BRIDGE

The Fifth Street Bridge is a single span steel Warren Pony Truss with a concrete filled steel grate deck incorporating an epoxy concrete wearing surface and stay in place forms. The bridge has a span of approximately 135 feet, a curb-to-curb width of approximately 25'-11" feet, an approximate out-to-out width of 28'-6" feet, and a skew of approximately 5 degrees with the abutments. Each truss consists of six interior truss panels and two end panels, each measuring approximately 16'-10" in length.

Our evaluation found the bridge to be generally in fair condition overall with areas of significant deterioration noted in visible areas of the floorbeams webs and on the top surfaces of the horizontal gusset plates along the bottom chord. Due to the water surface elevation in the canal at the time of our inspection our visual evaluation of the bridge was limited. Only the areas above the top of the floor beams were visible and accessible. A majority of each floorbeam, portions of the bottom chord, and the entire underside of the

bridge deck, the stringers, and abutments were not visible. Our evaluation noted the following:

- Epoxy concrete wearing surface is significantly deteriorated with almost 100% of the wearing surface missing or exhibiting significant deterioration
- The concrete filled steel grate decking exhibits moderate heavy scale of the concrete throughout with noticeable cupping / rutting of the surface
- Railing has areas of impact damage and deteriorated paint
- Deck joint has failed allowing debris to fall onto the bridge seat below
- Paint generally in poor condition exhibiting areas of random deterioration throughout
  - Moderate surface rust with slight pitting was noted at random locations throughout the vertical and diagonal members, and along the top chord
- Floorbeams typically exhibit heavy and laminar rust within visible areas near the ends of the floorbeams
- Horizontal gusset plates along the bottom chord typically exhibit debris accumulation and heavy rust

The last Routine Inspection dated September 12, 2009, Fracture Critical Inspection dated September 12, 2009, and Special Member Inspection dated September 22, 2010 were obtained from MassDOT and reviewed to evaluate the condition of the existing bridge. These MassDOT inspections noted the following items:

- Floorbeams 1 and 2 have section loss of up to ¼" along the flanges with no measurable loss along the webs
- Floorbeams 3-8 exhibit heavy rust with significant section loss along the webs and bottom flanges under the curb lines (up to 4 feet in width)
  - Section loss is typically ¼" on each web face with areas of 100% loss noted
  - Areas of section loss along the bottom flange up to 3/8"
- Light to moderate rust with pitting noted in scattered areas of the top chords
- Minor to moderate rust in areas of the low chords
- Minor spot rusting along the vertical and diagonal members of the trusses
- The lower lateral bracing members have scattered areas of rust, mainly next to the bottom chord at the panel points
  - One section of the lateral bracing in panel #2 was noted as being bowed downward up to 2"
  - Lateral bracing in panel #4 is slightly bent
- Gusset plates/connections along the bottom chords exhibit moderated to heavy rust

- Bearings exhibit moderate to heavy rust with impacted rust between the masonry and sole plates
- Bridge seats have moderate to heavy debris accumulation
- Areas of spalled concrete and scaling noted along the breastwalls of the abutment
  - East breastwall has deterioration measuring up to 9" high x 12" deep from stringer 1 to stringer 4

The bridge was posted for load restriction between the 2009 and 2010 inspections. The current load restriction for a 3S2 vehicle is 15 tons. A 3S2 vehicle is a newer design vehicle that better represents the type of large trucks currently in use. Both the 3S2 vehicle and the HS-20 vehicle are 72,000 pound (36 ton) vehicles. The primary difference between the two vehicles is the number and spacing of the axles. The figure below illustrates the current design vehicles that the bridge is posted for.

massDOT LRFD Bridge Manual - Part I 7 - 15

LOADINGS USED FOR BRIDGE RATING

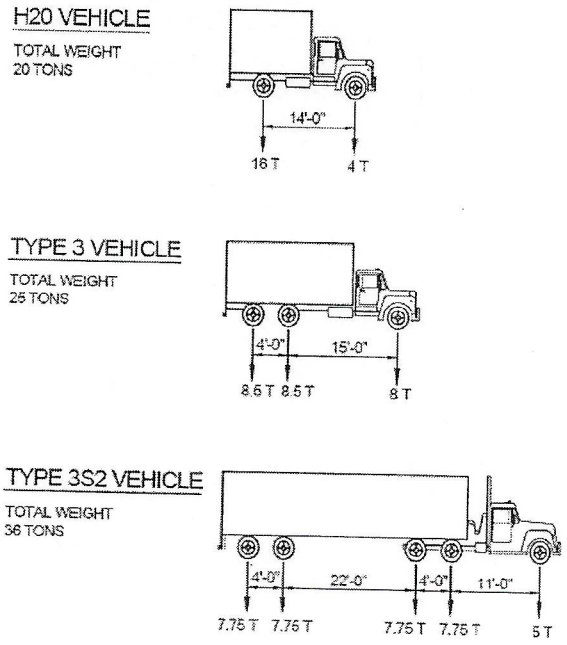


FIGURE 7.6

Although the routine inspection, dated September 12, 2009, did not indicate items in need of repair, the information in the inspection report suggests that the following items require repair:

- Epoxy wearing surface
- Bridge Paint
- Floorbeams

It was indicated during our March 23, 2011, meeting that the MassDOT is planning to replace the Fifth Street Bridge. a review of the MassDOT ongoing project list indicates that a project has been initiated for replacing the bridge at this time.

CONCLUSIONS / RECOMMENDATIONS

FLRP HEAD GATE BRIDGE

Our evaluation of the FLPR Head Gate Bridge indicates that the bridge will likely be capable of functioning as an access bridge for the mill complex without a load restriction if the bridge is strengthened and repaired. We recommend that the bridge be inspected during the annual power canal shutdown to determine if additional repairs are needed beyond those provided in the TransSystem report. In addition, we recommend that the load rating analysis be updated using an Impact Factor that better represents the characteristics of the anticipated traffic. This analysis will determine the amount of strengthening required in the diagonal members and the capacity of the remaining structural steel components based on the lower Impact Factor.

Based on our current evaluation, we recommend that the following repairs be made prior to opening the bridge to vehicular traffic:

- Remove and replace existing timber bridge rail with approved vehicular bridge rail
- Strengthen existing diagonal members
- Install / repair bracing between the steel caissons of the pier bent
- Remove existing bridge deck and install new galvanized deck pans with asphalt overlay incorporating waterproof membrane between asphalt lifts
- Install a DOT approved bridge joint system
- Shim gaps under stringer bearings for S3 and S4, at the west abutment, and S2 at the east abutment

Long term repairs of the FLPR Head Gate Bridge should include the following:

- Clean and paint the bridge
- Repair the east abutment
- Fill the voids under the west abutment facing with lean concrete

FIFTH STREET BRIDGE

Our evaluation of the Fifth Street Bridge indicates that the horizontal gusset plates exhibit moderate deterioration, and the floorbeams are severely deteriorated and need to be repaired. The current posted load restrictions are based on MassDOT inspections and ratings which was not available for review. Currently the bridge is inspected once a year due to the deteriorated condition of the floorbeams.

In its current condition the bridge has a limited capacity and can only support a 15 ton 3S2 truck. In addition, a three axle concrete truck would be limited to approximately 13 tons, or 1/3 of the design vehicle weight. This will obviously limit the use of the bridge as a point of access to the mill complex. From a structural standpoint, if the deteriorated components are repaired, it is anticipated that the structural steel components of the bridge will have Inventory and Operating Rating Factors greater than 1.0 and the bridge would be capable of supporting all legal vehicular loads without a weight restriction. However, it should be noted that the configuration of the bridge may not provide adequate sight distance or the minimum turning radius required for a loop road into the mill complex.

If the bridge is replaced by MassDOT, the design of the bridge should incorporate the geometric requirements of the proposed loop road through the mill complex.

Should you have any questions concerning the findings of our bridge evaluations for the FLPR Head Gate and Fifth Street bridges and, the contents of this letter, our recommendations, or need additional information we may have obtained during our review of the inspection reports, please contact us at your convenience.

Sincerely,

Peter D. Boyle, P.E.
Project Manager

Reviewed By

Stuart H. Harris, P.E.
Associate

Enclosures: Photographs
MassDOT Routine & Special Member Inspection – Sept 12, 2009

valuation to be applied to FirstLight's property going forward; and (3) that the company transfer ownership of the two bridges to the Town for agreed upon terms. This is a suggested settlement proposal for discussion purposes:

1. FirstLight agrees to dismiss the appeals for Fiscal Years 2014, 2015, and 2016.

2. The parties settle the appeals for Fiscal Years 2017, 2018, and 2019 by agreeing to an assessed value of $117,000,000 for the parcels under appeal. That is equal to the approximate assessed value for the portion of the Project located in Montague as assessed for Fiscal Years 2014-2016 and is significantly above the value that either appraisers DCF's yield when the discount rate is corrected. This reduced valuation would result in a total abatement over the three years of approximately $1.9 million.

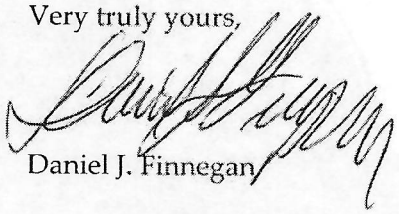
3. For Fiscal Years 2020 and 2021, the parties agree to an assessed value of $110,000,000 for the portion of the Project property located in Montague.

4. When the Project property is revalued for Fiscal Year 2022, FirstLight will work cooperatively with the Assessors and Mr. Lagassa (or other appraiser hired by the Assessors) in the revaluation process.

5. In a separate agreement with the Selectboard, the Town will take ownership of the bridges and convey any necessary rights of way to FirstLight. FirstLight will agree to provide $1,000,000 to the town for use for maintenance and repair of the bridges. Alternatively, FirstLight is willing to discuss the expenditure of $1,000,000 by the company to maintain and repair the bridges prior to their transfer to the Town.

If you have any questions regarding this proposal, or would like to discuss it generally, I would be happy to do so at your convenience. Please discuss this proposal with your client and let us know their thoughts.

Very truly yours,



Daniel J. Finnegan

DJF:sec

3095164

FUSS & O'NEILL, INC.

78 Interstate Drive
West Springfield, MA 02347

EXHIBIT 1 - OPINION OF COST A (Revised 3-4-2011)

DATE PREPARED 3/05/2011 | SHEET 1 OF 1

PROJECT : Montague Ped. Bridge

LOCATION : Montague, MA

DESCRIPTION: **Rehabilitate/Modify Existing Pedestrian Bridge**

BASIS :

PROJECT NO. :

ESTIMATOR : PDB | CHECKED BY :

Since Fuss & O'Neill has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s') methods of determining prices, or over competitive bidding or market conditions, Fuss & O'Neill's opinion of probable Total Project Costs and Construction Cost are made on the basis of Fuss & O'Neill's experience and qualifications and represent Fuss & O'Neill's best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but Fuss & O'Neill cannot and does not guarantee that proposals, bids or actual Total Project or Construction Costs will not vary from opinions of probable cost prepared by Fuss & O'Neill. If prior to the bidding or negotiating Phase the Owner wishes greater assurance as to Total Project or Construction Costs, the Owner shall employ an independent cost estimator.

ITEM NO.	ITEM DESCRIPTION	UNIT MEAS.	NO. UNITS	PER UNIT	TOTAL COST
1	Remove/Reset the existing main truss span	L.S.	1.00	$58,000.00	$58,000.00
	- Includes the cost of mobilizing a crane twice to remove truss and again to reset truss, rigging, setting up staging area, and excavator to assist crane				
2	Mod. north framing/remove stairs/add floor framing	L.S.	1.00	$30,000.00	$30,000.00
	- Includes the cost to demo the existing framing and stairs, supply material, equip. and labor to install new framing				
3	Remove/demo the south approach span and stairs	L.S.	1.00	$32,000.00	$32,000.00
	- Includes the cost of excavator and labor, disposal of steel and misc. materials for steel pier bent, span, concrete pier and stairs				
4	Repair the deteriorated steel framing components	L.S.	1.00	$98,000.00	$98,000.00
	- Includes $35,000 for the removal of paint & assumes half of horizontal gussets and 6 members need repair)				
5	Strengthening the existing chords/gussets	L.S.	1.00	$206,000.00	$206,000.00
	(To accommodate the dead load from a new roof)				
	- Assumes only bottom gussets require strengthening				
6	Prepare and Paint truss	L.S.	1.00	$17,000.00	$17,000.00
	- Assumes painting of truss will be done in staging area				
7	Add a new roof for existing and proposed trusses	L.S.	1.00	$33,000.00	$33,000.00
	- Assumes wooden truss with metal roof				
8	Replace decking on the existing truss	L.S.	1.00	$19,000.00	$19,000.00
	-Includes removal and disposal of existing deck				
9	Replace existing south steel pier of main truss	L.S.	1.00	$23,000.00	$23,000.00
	- Includes cost to demo existing steel abut., materials, and erection of new steel abut.				
10	Mod. existing north abutment located at the building	L.S.	1.00	$18,000.00	$18,000.00
	- Includes cost to demo existing steel abut., materials, and and erection of new steel abut.				
11	Mod. existing south abutment for approach span	L.S.	1.00	$14,000.00	$14,000.00
	- Includes selective demo of existing concrete abutment and modification for new approach span				
12	New 60' steel truss south approach span	L.S.	1.00	$116,000.00	$116,000.00
	- Includes the cost of the briage and delivery to the site				
13	Install a new 60' steel truss south approach span	L.S.	1.00	$21,000.00	$21,000.00
	- Includes the cost of mobilizing a crane, rigging, setting up staging area, and excavator to assist crane)				
14	Coordination/Temp. Relocation of Overhead Utilities	L.S.	1.00	$60,000.00	$60,000.00
	TOTAL COST (ROUNDED TO NEAREST $1,000)				**$745,000**

Notes: **The cost estimate provided above is a "Opinion of Cost". This estimate is a conceptual cost estimate made with limited engineering data. This cost estimate should considered accurate to within plus 50% or minus 30%.**

Plus 50% = $1,117,500.00
Minus 30% = $521,500.00

FUSS & O'NEILL, INC.

78 Interstate Drive
West Springfield, MA 02347

EXHIBIT 2 - OPINION OF COST B (Revised 3-4-2011)

DATE PREPARED 3/04/2011 | SHEET 1 OF 1

PROJECT : Montague Ped. Bridge

LOCATION : Montague, MA

DESCRIPTION: **Replace Existing Pedestrian Bridge with New Bridge**

BASIS :

PROJECT NO. :

ESTIMATOR : PDB

CHECKED BY :

Since Fuss & O'Neill has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s') methods of determining prices, or over competitive bidding or market conditions, Fuss & O'Neill's opinion of probable Total Project Costs and Construction Cost are made on the basis of Fuss & O'Neill's experience and qualifications and represent Fuss & O'Neill's best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but Fuss & O'Neill cannot and does not guarantee that proposals, bids or actual Total Project or Construction Costs will not vary from opinions of probable cost prepared by Fuss & O'Neill. If prior to the bidding or negotiating Phase the Owner wishes greater assurance as to Total Project or Construction Costs, the Owner shall employ an independent cost estimator.

ITEM NO.	ITEM DESCRIPTION	UNIT MEAS.	NO. UNITS	PER UNIT	TOTAL COST
1	Remove existing main truss span and set in staging area	L.S.	1.00	$28,000.00	$28,000.00
	- Includes the cost of mobilizing a crane, rigging, setting up staging area, and excavator to assist crane				
2	Demo existing main truss span, south approach span, and all substructure elements	L.S.	1.00	$55,000.00	$55,000.00
	- Includes the cost to demo main truss after being set in staging area and remove debris from site				
3	Modify the existing north abutment at the building	L.S.	1.00	$20,000.00	$20,000.00
	- Includes demo/modification of existing concrete abutment, pier bent, new concrete and misc. materials for steel pier bent				
4	Construct a new south abutment at roadway	L.S.	1.00	$28,000.00	$28,000.00
	- Includes demo of existing concrete abutment, construction of new stub abutment (no-piles)				
5	New 210' steel truss	L.S.	1.00	$550,000.00	$550,000.00
	- Cost includes delivery to site (single span truss in 5 sections with a total weight of 217,100 lbs)				
6	Assembly of steel truss sections on site	L.S.	1.00	$21,000.00	$21,000.00
	- Includes the cost of steel workers, equipment (excavator) to assist assembly of truss sections in staging area				
7	Add a new roof for existing and proposed trusses	L.S.	1.00	$33,000.00	$33,000.00
	- Assumes wooden truss with metal roof				
8	Install a new 210' steel truss span	L.S.	1.00	$53,000.00	$53,000.00
	- Includes the cost of mobilizing 2-cranes, rigging, setting up staging area, and excavators to assist crane				
9	Coordination/Temp. Relocation of Overhead Utilities	L.S.	1.00	$60,000.00	$60,000.00
	TOTAL COST (ROUNDED TO NEAREST $1,000)				**$848,000**

Notes: **The cost estimate provided above is a "Opinion of Cost". This estimate is a conceptual cost estimate made with limited engineering data. This cost estimate should considered accurate to within plus 50% or minus 30%.**

Plus 50% = $1,272,000.00
Minus 30% = $593,600.00