

Sunday, April 24, 2016

By **SCOTT MERZBACH**

Staff Writer

Veteran-led Amherst company works to reduce local energy use

AMHERST – Even with scant money available for capital improvements, several housing authorities have reduced energy consumption and water use following detailed evaluations of their properties by CTI Energy Services.

Founded in 2009, CTI has worked on energy performance contracts for 16 housing authorities, mostly in the Northeast and Midwest. The work includes solar panel installations, water efficiency upgrades and other sustainability improvements often completed as the result of these investment grade audits.

“There were 3,000 small housing authorities that no one was paying attention to,” said CTI business development manager Gordon Meadows of the company’s origins. “The extra money can make a big difference for housing authorities that are so strapped for cash.”

Speaking from the company’s headquarters at 37 South Pleasant St., above the restaurants and retail stores below, Meadows, 34, said the projects also have a positive impact on the environment.

“In six years out of this office, we’ve taken the equivalent of 15,000 cars off the roads forever,” Meadows said.

CTI now has five projects continuing in Connecticut, Maine and Illinois, and the company may get a boost from the recent notification that it has received designation as a service-disabled veteran-owned company from the Department of Veteran Affairs.

“For a federal contractor, that is supposed to be a huge advantage,” Meadows said.

Founder hurt in Vietnam

This designation was made because Gordon Meadows’ father Craig, the founder and president of CTI, suffered a shoulder injury in Vietnam when the Jeep in which he was riding rolled over.

Craig Meadows was originally considered zero percent disabled, but with assistance from Congressman James McGovern of Worcester, the recovery of Meadows’ military paperwork, and a physical examination at the Veterans Administration Medical Center in Leeds, he was declared sufficiently disabled.

“Forty percent disabled was adequate for the application,” said Craig Meadows, 69.

The hope is that CTI will be able to use the designation to obtain some of the mandated projects set aside from federal Energy Savings Performance Contracts, or ESPCs. A newer program called ESPC Enable offers smaller companies such as CTI the opportunity to handle condensed projects, with price tags of \$5 million to \$8 million, and reduces the length of time to complete them.

“What it does is to help spread the business around,” said Gordon Meadows.

A total of 3 percent of federal projects are reserved for such companies, and there are only three nationwide energy performance contracting companies designated as service disabled and veteran owned.

This means that CTI should have a better chance of competing for work at federal military bases and other federal buildings against the likes of major corporations such as Siemens, Honeywell and Johnson Controls, Gordon Meadows said.

CTI's origins date back to 1980, when Craig Meadows said he first got involved in energy conservation when he founded Energy Auditors and Consultants.

But after the economy collapsed in the early 1990s, he worked for big energy companies for more than a decade until 2008, when he decided he should return to his small business roots.

Yellow Sun partner

Meadows approached his former business partner Thomas Timmins, with whom he founded Yellow Sun natural foods cooperative at the Student Union at the University of Massachusetts in 1970, an enterprise that was based in several locations in Amherst until 1984.

Now CTI's chief operating officer, Timmins may be best known for popularizing tofu. "Tom was almost singlehandedly responsible for the existence of tofu in the United States," Gordon Meadows said.

"Within a couple of weeks Tom called and said he was looking to get into the energy conservation business," Craig Meadows said. "I said, 'Your timing is good.'"

Next, Craig Meadows went to Washington, D.C., to meet with the policy office of Housing and Urban Development, which was looking for energy service companies that could work with small housing authorities. This has since been CTI's niche, with 10 projects finished by the end of 2016.

"There's a market of underserved housing authorities - the small ones," Gordon Meadows said.

Marion County project

He points to Marion County, Illinois, where CTI is working on a \$2.2 million project for the 450 units managed by the housing authority there, an effort to cut down on the \$1,879-per-unit energy costs spent annually by the county.

CTI, which has 10 employees, begins its work by meeting with the client and then determining, in a preliminary energy and utilities analysis, where savings are possible. This audit was completed using Department of Energy software to model the buildings.

"We do an enormous amount of data collection ourselves," Gordon Meadows said, observing that engineers spend at least a week on site.

CTI's engineers take infrared images, test all equipment for performance, examine the amount of water toilets are using and examine how each light bulb is functioning.

Sarah Morton, vice president of engineering for CTI and the daughter of Craig Meadows, closely tracks this engineering work.

Morton, 48, who has more than 20 years of experience in the field and returned to Amherst to work for the company in September, said she checks all energy audits, helps find engineering companies in local areas to do work on projects and reviews all project drawings.

CTI estimates the costs of equipment, subcontractors, construction manager, engineering, legal and bonding, and its overhead and profit.

At Marion, the equipment needed included new boilers, thermostats, lighting controls and refrigerators, additional insulation, and installation of a ductless variable refrigerant flow, or VRF, system.

Once the audit is 90 percent complete, CTI uses an algorithm to determine the annual savings that can be achieved, and then helps the client find a bank or lender that will be interested in working on the project and gets a quote on the interest rate and term.

“We guarantee they’ll save enough money to pay the loan back,” Gordon Meadows said.

Then CTI contacts investment firms and banks, such as Marion County Savings, which put the money toward the project.

The fact that housing authority pays back the loan through the savings from energy reduction means it does not need to depend on additional money from HUD for capital improvements, which likely would not be available because of concerns about spending and gridlock in Washington, Gordon Meadows said.

“These are real-life improvements for reducing costs at the housing authority, and we pumped \$2 million into the economy,” Gordon Meadows said.

Federal projects

Currently, CTI is working on applications for projects through the ESPC Enable, with one a group of six large federal buildings in Michigan totaling 4 million to 5 million square feet, another for a federal aviation building in Corpus Christi, Texas.

Eventually the company may target VA hospitals for improvements.

“That is going to be a significant part of our future business,” Gordon Meadows said.

“We may be a small company, but our vision has always been far-reaching,” Craig Meadows said.

“The hope is for more work,” Craig Meadows added. “That’s the objective and intention.”

That would take CTI from the \$5 million to 10 million company that it currently is to the \$30 million to \$50 million, or perhaps even \$100 million company, it can become, Gordon Meadows said.

“There’s not many with this status who can do this work, and we’re just hoping the federal government will see that and the service my dad gave to the country,” Gordon Meadows said.

Scott Merzbach can be reached at smerzbach@gazettenet.com