

CITY COUNCIL

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Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8
Date: February 3, 2010

TO: Honorable Mayor and Members of the City Council
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: Energy Efficiency Improvements

RECOMMENDATIONS:

- 1). Review and approve suggested improvements to a variety of City facilities to increase energy efficiency.
- 2.) Direct staff to schedule a public hearing on February 24, 2010 to consider entering into an energy services contract with Climatec.

FISCAL ANALYSIS:

The proposed work has a value of approximately \$1.5 million. Initial investment from the building replacement fund would be \$90,000.00. In addition \$500,000.00 will be financed by SDG&E and \$488,000.00 through municipal financing. All financing is accomplished through energy savings. The proposal also leverages \$352,492.00 of EECBG funding (federal stimulus grant). Solar installations are accomplished through a power purchase agreement, locking in energy costs over the time period of the project.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item does not relate directly to the Council Action Plan but does provide opportunity to make significant energy efficiency improvements to existing facilities, taking advantage of excellent financing opportunities.

PREVIOUS ACTION:

Council approved the plan for expenditure of the Energy Efficiency and Conservation Block Grant program.

BACKGROUND:

Climatec, located in Poway, proposed to do an energy analysis on several City facilities identified by City staff. The assessment, done at no charge, was authorized and completed in January 2010. The results of the analysis show several opportunities for significant energy savings as well as

opportunities to install major improvements at some facilities. Climatec has taken on this work in hopes of receiving a contract to install the improvements. This approach has been used in other cities and agencies with success. Due to stimulus, rebate and financing programs, staff believes this to be an opportune time to proceed with selected improvements and installations in order to maximize attractive financing rates. Other than an initial investment of \$90,000.00, the improvements of approximately \$1.4 million will be financed through anticipated savings.

Some facilities appear appropriate for installation of solar photovoltaic panels. These facilities will be installed by a private vendor and the power generated is sold to the City at a guaranteed, reduced rate. (The facilities will continue to be connected to the electric grid.) Any power generated beyond the needs of the facility, are sold to SDG&E.

Facilities under consideration are:

Joslyn Community Center:

- HVAC equipment and controls
- Lighting
- Sensors
- Solar Photovoltaic installation

EVCC

- New Roof (EPDM White Cool Roof)
- Solar Photovoltaic
- Sensors
- HVAC equipment and controls

City Hall

- Sensors
- Lighting

CCAE

- Air economizers
- Lighting

Lake Wohlford and Dixon Lake

- Solar powered aeration devices

Washington Park Pool and Building

- Solar Powered Water Heating
- Lighting

Escondido Police and Fire Facility Parking Structure

- Solar Photovoltaic and EV charging stations

An additional parking lot or building will be identified for Solar Photovoltaic installation prior to the February 24 public hearing.

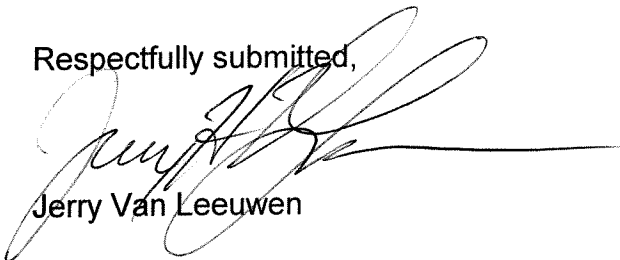
Climatec will be present at the Council meeting to give a comprehensive overview of the recommendations.

Additional opportunities may be available, particularly for solar photovoltaic, may be pursued at a later date.

In order to expedite the installation of the improvements, it is possible to contract with Climatec using the process identified in Government Code Section 4217.10. This section requires a public hearing be held, with proper notification, and that certain findings be made to proceed with an energy service contract. Staff suggests this hearing be noticed and held on February 24, 2010 at a regularly scheduled Council meeting.

As an additional benefit, Climatec has used and will use many local vendors for much of the work, providing employment opportunities for local residents.

Respectfully submitted,



Jerry Van Leeuwen