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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

June 18, 2012

Erie County Legislature
92 Franklin Street – Fourth Floor
Buffalo, NY 14202

RE: Approval for Retention of Energy Performance Contractor
Big Sister Wastewater Treatment Plant Energy Efficiency Improvement Project

Dear Honorable Members:

Enclosed please find a resolution and an accompanying memorandum from the Department of Environment and Planning pertaining to the proposed Big Sister Wastewater Treatment Plant Energy Performance Project.

Should your honorable body require further information, I encourage you to contact Joseph L. Fiegl, P.E., in the Department of Environment and Planning/Division of Sewerage Management. Thank you for your consideration on this matter.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

By: Richard M. Tobe
Deputy County Executive

MCP/GSP/ms
Enclosure

cc: J. Fiegl, Deputy Commissioner, Sewerage Management

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Approval for Retention of Energy Performance Contractor
Big Sister Wastewater Treatment Plant Energy Efficiency Improvement Project
Date: May 14, 2012

SUMMARY

Award of an Energy Performance Contract to Wendel Energy Services, LLC (Wendel), 140 John James Audubon Parkway, Suite 201, Amherst, New York 14228 for energy performance contracting services is requested.

FISCAL IMPLICATIONS

There are no fiscal implications the County's General Fund at this time. Funding for this portion of the project is anticipated to come from several sources as follows: $363,000 from the Clean Water State Revolving Fund (Green Innovation Grant Program (GIGP)), $112,000 from National Grid energy efficiency incentives, and an amount not to exceed $625,000 from Erie County Capital Reserve Account C.00008 for a total not to exceed $1,100,000.

REASONS FOR RECOMMENDATION

Wendel Energy Services (Wendel) completed an Energy Efficiency Study (December 2009) that identified several viable facility improvement measures to decrease electrical usage, decrease operational costs, and modernize the Big Sister Creek Wastewater Treatment Plant in Erie County Sewer District No. 2. In the study Wendel identified over $130,000 in guaranteed annual savings, repaying the County's investment (including upfront study and engineering costs) in less than six (6) years.

BACKGROUND INFORMATION

In accordance with New York State Energy Law Article 9, municipalities and governmental entities may enter into energy performance contracts to implement energy and cost savings measures. The terms of the energy performance contract guarantee that the cost savings associated with the construction implementation must equal or exceed the expenditures necessary to complete the savings measures. The County has participated in energy performance contracting for several years as a means to decrease energy, operation, and maintenance costs associated with the County's facilities.

Your Honorable Body issued legislative communication 12E-29 (2009) authorizing County Departments and Divisons to retain Wendel for Energy Performance Contracting Services. This past year, your Honorable Body issued legislative communication 13E-22 (2011) authorizing execution of the GIGP grant agreement for the Project.

The Division of Sewerage Management has worked with Wendel to develop a responsible project. Furthermore, Grant funding and incentives have been obtained to offset implementation costs. Finally, Wendel will guarantee the savings in the performance/ audit stage.

CONSEQUENCES OF NEGATIVE ACTION

Energy, operation, and maintenance cost savings associated with the completion of energy performance contracts would not be realized at County facilities.

STEPS TO FOLLOW APPROVAL

The County Executive will be requested to execute an Energy Performance Agreement with Wendel Energy Services to complete the Energy Efficiency Improvement Project at the Big Sister Creek Wastewater Treatment Plant.

COMPTROLLER'S OFFICE REVIEW

The proposed legislation has been reviewed by the Comptroller's Office and is related to an authorized capital project for which there are sufficient capital appropriations for the action proposed.

Signed Lorne Steinhart
Title Lorne Steinhart
Deputy Comptroller

Date May 29, 2012

- Cash in capital reserve account: $1,056,899.2
- Requested transfer will be moved into a new capital project to complete the Big Sister Cree WWTP Energy Efficiency Improvement Project. The spending cannot be done directly from the reserve account. LH

Maria R. Whyte JCF
Maria Whyte
Commissioner

CC: M.Whyte
J.Fiegl/0.11.0 Leg ltr (w/encl)
J. Carr/0.3.4.RFP/RFQ

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A RESOLUTION SUBMITTED BY:
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Approval for Retention of Energy Performance Contractor
Big Sister Wastewater Treatment Plant Energy Efficiency Improvement Project

WHEREAS, Wendel Energy Services (Wendel) completed an audit titled "Energy Efficiency Study for Big Sister Creek Wastewater Treatment Plant (WWTP)" (December 2009) that identified several viable facility improvement measures to decrease the electrical usage, decrease operational costs, and modernize the WWTP; and

WHEREAS, the Big Sister Creek WWTP Energy Efficiency Improvement Project (herein after referred to as "the Project") was developed to begin the engineering necessary to implement said facility improvement measures; and

WHEREAS, Wendel has identified $130,000 in combined annual operating and energy savings from said facility improvement measures; and

WHEREAS, per New York State Energy Law Article 9, said savings are guaranteed; and

WHEREAS, the Project has been awarded or anticipates to receive the following grants and incentives: $363,000 from the Clean Water State Revolving Fund (Green Innovation Grant Program (GIGP)) and $112,000 from National Grid energy efficiency incentives; and

WHEREAS, Erie County Sewer District No. 2 has adequate cash in its capital reserve account C.00008 to fund the local share of this project; and

WHEREAS, it is necessary to execute an agreement with Wendel to complete the Project.

NOW, THEREFORE, BE IT,

RESOLVED, that Wendel Energy Services be retained to complete the Big Sister Creek WWTP Energy Efficiency Improvement Project; and be it further

RESOLVED, that the County Executive be, and hereby is, authorized to execute an Agreement with Wendel Energy Services, LLC, 140 John James Audubon Parkway, Suite 201, Amherst, New York 14228 to complete the Big Sister Creek WWTP Energy Efficiency Improvement Project, subject to approval as to content by the Commissioner of the Department of Environment and Planning and approval as to form by the County Attorney's office; and be it further

RESOLVED, that the Commissioner of Environment and Planning is authorized to execute all other documents and instruments outside of the Grant Agreement with EFC to implement the project that is necessary to bring about the Project and to fulfill the County's obligation under the GIGP Agreement; and be it futher

RESOLVED, that the County Director of Budget and the County Comptroller be authorized to establish a Capital Project in Erie County Sewer District No. 2 (C.12201) with budgeted Appropriations and estimated Revenues as follows:

Appropriations	$1,100,000
Transfer in Capital Reserve	$625,000
Grants (GIGP)	$363,000
National Grid	$112,000; and be it further

RESOLVED, that the Director of Budget and the County Comptroller be authorized to transfer $625,000 from Erie County Sewer District No. 2 capital reserve account C.00008 to Erie County Sewer District No. 2 Capital Project C.12201 and to establish all budgetary accounts as necessary to facilitate the transfer of $625,000; and be it further

RESOLVED, that the Clerk of the Legislature one (1) certified copy each to the County Executive, the Erie County Comptroller, the Erie County Director of Budget and Management, and Kristen Walder, Assistant County Attorney and send two (2) certified copies of this resolution to Joseph L. Fiegl, P.E., Department of Environment and Planning.