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COUNTY OF ERIE

CHRIS COLLINS

COUNTY EXECUTIVE

June 2, 2011

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

**RE: Green Innovation Grant Program
Erie County Sewer District (ECSD) No. 2**

Honorable Members:

Enclosed please find a resolution and an accompanying memorandum pertaining to Green Innovation Grant Program award for a project in ECSD No. 2.

Should your honorable body require further information, I encourage you to contact the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely,

CHRIS COLLINS
Erie County Executive

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Green Innovation Grant Program Award
Erie County Sewer District (ECSD) No. 2
Date: June 2, 2011

SUMMARY

Authorization to enter into an agreement with New York State Environmental Facilities Corporation (NYSEFC) to allow for acceptance of a \$363,000 grant through the Green Innovation Grant Program (GIGP) is requested. This grant award will be used towards the implementation of the Big Sister Creek Wastewater Treatment Plant (WWTP) Energy Efficiency Improvement Project in ECSD No. 2.

FISCAL IMPLICATIONS

There are no fiscal implications to the County's General Fund. The GIGP award for \$363,000 will decrease the capital costs associated with Big Sister Creek WWTP Energy Efficiency Improvement Project in ECSD No. 2. All other future costs associated with this project, included those for the GIGP required 10% minimum local share/match, will be paid from either ECSD No. 2 capital or operating accounts.

REASONS FOR RECOMMENDATION

The Erie County Division of Sewerage Management was notified by the NYSEFC that the Big Sister Creek WWTP Energy Efficiency Improvement Project in ECSD No. 2 was selected to receive a \$363,000 GIGP award. A resolution from Your Honorable Body is required to proceed with grant acceptance.

BACKGROUND INFORMATION

Wendel Energy Services completed an audit titled "Energy Efficiency Study for Big Sister Creek WWTP" (October 2009) that identified several viable facility improvement measures. Based upon the analyses completed as part of the study, the following five facility improvement measures were selected to decrease the electrical usage, decrease operational costs, and modernize the WWTP through implementation of a supervisory control and data acquisition (SCADA) system:

- Upgrade of lighting and lighting control
- Provisioning of additional dissolved oxygen control in the aeration basins
- Implementation of an energy management system through SCADA
- Modification of the return activated sludge system operation
- Supplying variable speed control for the aerobic digester blowers

In November 2010, the Erie County Division of Sewerage Management submitted a GIGP application to the NYSEFC for the project. In April 2011, the Division of Sewerage Management was notified that the project was awarded \$363,000. The total estimated cost for the Big Sister Creek WWTP Energy Efficiency Improvement Project is \$1.1 million, including all engineering and construction. It is proposed that this project be implemented through an energy performance contract.

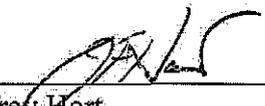
Based on the current engineer's estimate of \$1.1 million for all efforts associated with this project, the \$363,000 GIGP grant, an incentive of \$25,000 already provided by New York State Energy Research and Development Authority (NYSERDA) for the audit, \$127,000 in anticipated incentives/rebates from National Grid, and approximately \$96,000 already spent in the audit and design phase, the additional outlay estimated to be the local share for this project will be approximately \$489,000. This local share would meet the minimum 10% local share/match requirements for the GIGP. Without any incentives or grants, this project had an estimated payback (considering the projected operational and energy savings) of approximately 8.4 years. With the GIGP award and estimated incentives/rebates from National Grid and NYSERDA, the simple payback decreases to approximately 3.8 years.

CONSEQUENCES OF NEGATIVE ACTION

Erie County would not be able to receive the grant award and the entire cost of the project would be borne by the ratepayers of ECSD No. 2.

STEPS TO FOLLOW APPROVAL

A suggested resolution with standard language recommended by the NYSEFC is provided. The County Executive will be requested to execute an agreement with NYSEFC to accept the grant award and meet the NYSEFC requirements for the GIGP. Under a separate communication, Your Honorable Body will be requested to award an energy performance contract to implement these improvements.



Jeffrey Hart
Deputy County Executive

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A RESOLUTION SUBMITTED BY:
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Green Innovation Grant Program Award
Erie County Sewer District (ECSD) No. 2

WHEREAS, Wendel Energy Services completed an audit titled "Energy Efficiency Study for Big Sister Creek Wastewater Treatment Plant (WWTP)" (October 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 implement said facility improvement measures; and

WHEREAS, the Erie County Division of Sewerage Management, on behalf of ECSD No. 2, submitted a grant application to the Green Innovation Grant Program for the Project; and

WHEREAS, Erie County has been notified that the Project has been awarded a \$363,000 grant through the Green Innovation Grant Program; and

WHEREAS, ECSD No. 2 operating or capital accounts presently have sufficient funds to meet the local match/share requirements for the Project; and

WHEREAS, it is necessary to execute an agreement with New York State Environmental Facilities Corporation to accept the grant award.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Division of Sewerage Management, on behalf of ECSD No. 2, is authorized to participate in all aspects of the New York State Environmental Facilities Corporation's 2010 Green Innovation Grant Program for the Project; and be it further

RESOLVED, that the County Executive is authorized to execute a Grant Agreement with the New York State Environmental Facilities Corporation for the Project; and be it further

RESOLVED, that a minimum 10% local match of the total actual project costs, as required by the Green Innovation Grant Program, is authorized and will be appropriated from either ECSD No. 2 capital or operating accounts for the Project; and be it further

RESOLVED, that a separate Legislative Communication be provided by the Erie County Division of Sewerage Management requesting retention of an energy performance contractor to complete the Project and detailing the final cost estimates and allocations; and be it further

RESOLVED, that the Clerk of the Legislature send two (2) certified copies of this resolution to Joseph Fiegl, P.E., Division of Sewerage Management and one (1) certified copy each to the County Executive, the Erie County Comptroller, the Erie County Director of Budget and Management, Eric Ziobro, Assistant County Attorney, and the GIGP Project Coordinator (address: Katie M. Syron,

Project Coordinator, New York State Environmental Facilities Corporation, 625 Broadway, Albany,
New York 12207-2997).