



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 5/23/2023

File #: 23-162, **Version:** 1

SUBJECT:

A Resolution of the Board of Trustees of the Town of Erie Approving an Agreement with Iconergy LLC for the Energy Performance Contract

DEPARTMENT: Public Works

PRESENTER(S): Todd Fessenden, Public Works Director
Chad Alexander, Facilities Manager
Carl Hurst, Iconergy

TIME ESTIMATE: 20 minutes

FISCAL SUMMARY:

Cost as Recommended:	\$1,600,000
Balance Available:	\$1,600,000
Budget Line Item Number:	100-70-440-605000-100234
New Appropriation Required:	No

POLICY ISSUES:

The payback period on one project, installing solar PV panels on the Police Department, is 24 years (considering the total project cost without grant funding), which is longer than staff would normally accept to proceed with a project. However, it is still within the anticipated useful life of the equipment, reduces the Town's GHG footprint, is partially grant funded, and will eventually net generate savings to the Town (sooner than 24 years when considering the Town's investment reflecting the grant funding). For these reasons staff recommends proceeding with all 7 projects, including the solar PV panels on the PD. However, this is a policy decision the Board may look at differently.

STAFF RECOMMENDATION:

Approve the agreement and direct staff to expend funds.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

As Erie is a rapidly growing community that is anticipated to increase in population through 2035,

there is a critical need to ensure that sustainability is woven throughout policies, decisions, and developments that support the community's growth. The Sustainability Plan is a roadmap to accomplish this, and many opportunities exist to increase the amount of renewable energy used in the Erie community, identify creative financing mechanisms for funding energy efficiency and renewable energy projects, and make use of innovative technology to advance Erie's sustainability goals.

In 2021, the Town's Facilities Division partnered with Iconergy LLC, an energy management and sustainability firm located in Denver, CO, to assess heating, cooling, lighting, electrical and water systems throughout Town facilities. Iconergy produced an Investment Grade Audit which identified deficiencies and provided recommendations for upgrades to systems at the Erie Community Center, Leon A. Wurl Service Center, Lynn R. Morgan Water Treatment Facility, Wastewater Treatment Facility, and Erie Police and Municipal Court building. The Investment Grade Audit was used as the basis for a grant funding request through the Colorado Department of Local Affairs (DOLA) and Energy/Mineral Impact Assistance Fund Grant (EIAF). The Town received a \$700,000 grant.

The Erie Facilities Improvements & Renewables Project (the Project) addresses needs and scopes of work that are a priority for the Town and appropriate for implementation as an Energy Performance Contracting (EPC) project. Planning efforts have been conducted by Town administration, facility staff, and consultants to ensure all needs have been identified and will be met in a fiscally responsible manner. The Project is designed to address deficiencies that have been identified for the past several years along with energy and water efficiency improvements to overall operations, including renewable energy.

Tonight, staff will present the overall energy performance items first. Staff is also requesting approval of the agreement to complete the projects. This agreement is for \$1,549,900 with a contingency of \$50,010 for any unforeseen items, for a total of \$1,600,000.

BOARD PRIORITY(S) ADDRESSED:

- ✓ Attractive Community Amenities
- ✓ Well-Maintained Transportation Infrastructure
- ✓ Safe and Healthy Community
- ✓ Environmentally Sustainable
- ✓ Fiscally Responsible

ATTACHMENT(S):

1. Resolution 23-062
2. Presentation
3. Agreement