

Mayor and Council Communication

DATE: 10/15/19

M&C FILE NUMBER: M&C 19-0235

LOG NAME: 21RESOURCE CONSERVATION PROGRAM INCENTIVES 2019

SUBJECT

Authorize the Transfer of \$20,000.00 from the Resource Conservation Program Project of the Special Purpose Fund to Partially Reimburse the Property Management's Recurring Facility Maintenance Project of the General Capital Project Fund for the Purchase and Installation of an Energy Efficient Chiller Serving Both City Hall and the Public Safety Building and Adopt Appropriation Ordinance. (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the transfer of \$20,000.00 from the Resource Conservation Program Project of the Special Purpose Fund to partially reimburse the Property Management's Recurring Facility Maintenance & Repair Project of the General Capital Projects Fund for the purchase and installation of an energy efficient chiller serving both City Hall and the Public Safety Building;
 2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Recurring Facility Maintenance Project of the General Capital Projects Fund in the amount of \$20,000.00; and
 3. Authorize the receipt of any utility incentive secured by the contractor for deposit back into the Special Trust Fund's Energy Conservation Reserve.
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DISCUSSION:

The City's Resource Conservation Program periodically implements energy conservation projects at City-owned facilities. Such projects have included the installation of high-efficiency equipment and renewable energy systems.

As part of their customer service offerings, Oncor Electric Delivery Company LLC (Oncor) has energy efficiency programs which offer incentives for the installation of such systems and equipment. By application to Oncor's energy efficiency programs, the City has previously secured and received utility incentives that have been available for the City implementing these projects. Such incentive funds are deposited into the Special Trust Fund to fund future Resource Conservation Program efforts.

The proposed project includes replacement of one of the two older chillers that are nearing the end of their useful life associated with the central utility plant serving both City Hall and the Public Safety Building. As part of the cost/benefit-analysis of chiller equipment options, staff identified as best-value option, a high-efficiency chiller that uses magnetic bearings to improve performance and reduce operating costs. The Property Management Department now seeks to utilize \$20,000.00 from available funds for use in this project. The \$20,000.00 sought from the Resource Conservation Fund is intended as an incentive to the purchase of this higher performance chiller considering that its 4.8-year simple payback is within the City's 10-year threshold.

The total cost of the chiller is \$335,542.21. Below is a breakdown of the total funding sources of the project:

\$315,542.21	HVAC/Plumbing Improve Capital Project
<u>\$20,000.00</u>	<u>Resource Conservation Program</u>
\$335,542.21	Total

As has often been the case with such projects, the contractor will act as the City's agent in making application to Oncor for any incentive that may be offered for the selected chiller. Any utility incentive secured by the contractor will be passed through to the City for deposit back into the Special Trust Fund's Energy Conservation Reserve and made available for future use.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the General Capital Project Fund. Prior to an expenditure being incurred, the Property Management Department has the responsibility of verifying the availability of funds.

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