

AGENDA DATE: March 21, 2006



RESOURCE MANAGEMENT AGENCY

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AGENDA ITEM

ITEM NO. _____
District 4

SUBJECT:

Consider an agreement to install a Cogeneration System for the Bob Wiley and Pre-Trial Detention Facilities, upgrade the Energy Management Control System, provide Energy Conservation Measures at the Detention Wastewater Treatment Facility, and retrofit Energy Saving Lighting at the Juvenile Justice Complex, the Bob Wiley and Pre-Trial Detention Facilities.

REQUEST(S):

1. Hold a Public Hearing on March 21, 2006 at 9:30 a.m. to approve an agreement to install a cogeneration system for the Bob Wiley and Pre-Trial Detention Facilities. Upgrade the energy management control system, provide energy conservation measures at the detention wastewater treatment facility, and retrofit energy saving lighting at the Juvenile Justice Complex, Bob Wiley and Pre-Trial Detention Facilities.
2. The Board of Supervisors concurs with staff's findings that this project will not have a significant affect on the environment and that this project is categorically exempt from the California Environment Quality Act (CEQA) pursuant to Guidelines Sections 15302 and 15329. The Environmental Assessment Officer is directed to sign and file a Notice of Exemption with the Tulare County Assessor/Clerk-Recorder.
3. The Board of Supervisors finds that the anticipated costs of installing the facility lighting, mechanical and building system upgrades will be more than offset by energy savings.
4. A finding related to ground leases as required by Section 4217.12 is not necessary as the proposed work does not entail any ground leases.

5. Authorize the Chairman of the Board to sign the agreement with Chevron Energy Solutions Company.
6. Authorize the Chairman of the Board to sign the finance agreement with Citi-Capital after the completion of the review by County Counsel.
7. Authorize the Auditor's Office to make the necessary budget adjustments.

SUMMARY:

County Resolution 2005-0520 authorized Chevron Energy Solutions Company, to conduct a formal Energy Audit of the above referenced detention facilities. The Resolution further authorized the Resource Management Agency Director to negotiate a proposed Agreement with Chevron Energy Solutions Company to accomplish the appropriate energy savings measures identified in that Audit, that were determined to be cost effective and financed with energy cost savings.

Chevron Energy Solutions Company has performed a detailed inspection and analysis of the identified County facilities on the premise that lighting, mechanical or building systems and cogeneration systems can be replaced or installed with capital costs paid for by energy savings. They have recommended projects totaling \$7,077,544 the costs of which can be offset by energy savings over a fifteen-year period. It is estimated that the life of the equipment will be 25 years.

Prior to the approval of County Resolution 2005-0520 the Resource Management Agency solicited proposals from three separate energy management companies. Chevron Energy Solutions Company submitted the most comprehensive proposal.

Staff finds that the project will not have a significant affect on the environment and has found that this project is categorically exempt in accordance with the state guidelines for the implementation of CEQA pursuant to section(s) 15302 and 15329.

Section 4217.12 of the State of California Government Code provides that a government agency may enter into an agreement to install energy savings systems after considering that agreement during a regularly scheduled public hearing and after making a finding that the cost of the installation will be offset by the anticipated savings in the energy consumption and that there is a finding that any and all ground leases required by the project are also offset by the savings. In this project there are no required ground leases.

It should be noted that disputed payments due to Chevron Energy Solutions Company that are resolved and not paid within 30 business days of such final determination will be subject to an interest charge that is determined by the statutory rate set forth in the prompt payment statutes.

FINANCING:

The total cost of all the improvements is \$7,230,794, less one-time rebates, incentives and grants totaling \$537,173. This brings the total amount of the project to \$6,693,603. Construction interest is \$383,941. This brings the total amount financed to \$7,077,544.

The project will be paid for over a 15-year period. The annual costs including principle, interest and a Voluntary Measurement and Verification program of \$25,000 is \$646,222. As required by state law the annual cost of this project will be offset by the program savings. Projected savings the first full year in operation is \$675,725, when these savings are realized this will provide a net savings in energy costs of \$29,503.

ALTERNATIVES:

The Board could choose not to proceed with the proposed energy conservation projects, direct staff to suspend actions on the proposed Agreement, and to compensate Chevron Energy Solutions Company for the cost of the energy audit.

INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

County Counsel has reviewed and approved to form the Chevron proposal and the finance documents. The Resource Management Agency has had discussions with the Sheriff's Department concerning the scope of this project.

SIGNATURE REQUIREMENTS:

Chairman of the Board to sign the agreement with Chevron Energy Solutions Company and to sign the finance agreement with Citi-Capital.

The County Administrative Officer/Clerk of the Board of Supervisors or his authorized Deputy to attest to the Resolution.

ADMINISTRATIVE SIGN OFF:

RESOURCE MANAGEMENT AGENCY

LF _____
 Hal Cypert
 Assistant Director-Support Services

Henry Hash, Director

Submittal Date: March 8, 2006

In the Matter of Setting a Public Hearing to)
Consider an Agreement to Install a)
Cogeneration System for the Bob Wiley) RESOLUTION NO:
& Pre-Trial Detention Facilities, and Various)
Energy Savings Measures at the Detention Facilities)
the Costs of Which Can Be Offset by Energy Savings)

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4. A finding related to ground leases as required by Section 4217.12 was not necessary as the proposed work does not entail any ground leases.
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