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**City of Carson City
Agenda Report**

Date Submitted: May 12, 2009

Agenda Date Requested: May 21, 2009

Time Requested: 10 minutes

To: Board of Supervisors

From: Public Works – Planning Division

Subject Title: Action to authorize staff to apply for the Energy Efficiency and Conservation Block Grant (EECBG) program and submit an Energy Efficiency and Conservation Strategy (EECS) for Carson City.

Staff Summary: The Energy Efficiency and Conservation Block Grant (EECBG) program is a new program created in the Energy Act of 2007 being administered by the U.S. Department of Energy (DOE). The EECBG will provide grants to local governments, states, territories, and Indian tribes to fund projects that reduce energy use, cut fossil fuel emissions and improve energy efficiency. Under the American Recovery and Reinvestment Act (ARRA), Carson City is scheduled to receive a direct formula funding of \$538,000 to use towards energy efficiency projects. In order to receive the funding, all direct formula communities must submit an EECS with their application or within 120 days after submitting their application.

Type of Action Requested:(check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to authorize staff to apply for the Energy Efficiency and Conservation Block Grant (EECBG) program and submit an Energy Efficiency and Conservation Strategy (EECS) for Carson City.

Explanation for Recommended Board Action: See attached memo.

Applicable Statue, Code, Policy, Rule or Regulation: American Recovery and Reinvestment Act of 2009.

Fiscal Impact: The receipt of Energy Efficiency and Conservation Block Grant Funds (EECBG) in the amount of \$538,000 will help leverage Clean and Renewable Energy Bonds (CREB's) in the approximate amount of \$10,000,000 at 0% interest. The resulting installation of solar panels on various city buildings will be a reduction in electric power costs to the city which will allow for retirement of the costs of the bonds with a payback estimated between 9-12 years.


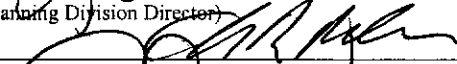
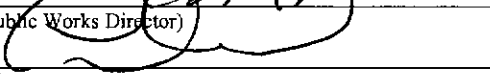

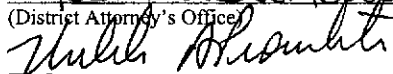
Explanation of Impact: N/A

Funding Source: N/A

Alternatives: 1) Refer back to staff and Planning Commission for further review
2) Deny

Supporting Material: 1) Memo regarding the CREBS program
2) Draft Energy Efficiency and Conservation Strategy

Prepared By: Janice Brod, Management Assistant V/CDBG Coordinator

Reviewed By:  Date: 5-11-09
(Planning Division Director)
 Date: 5-12-09
(Public Works Director)
 Date: 5/12/09
(City Manager)
 Date: 5-12-09
(District Attorney's Office)
 Date: 5/12/09

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

Abstentions: _____

(Vote Recorded By)

**PUBLIC WORKS
DEPARTMENT**

ADMINISTRATION
3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

CONTRACTS
3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

FLEET SERVICES
3303 Butti Way, Building 2
Carson City, NV 89701-3498
Ph: 775-887-2356
Fx: 775-887-2258

OPERATIONS
(Water, Sewer, Wastewater,
Streets, Landfill, Environmental)
3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

TRANSPORTATION/
CAPITAL PROJECTS
3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

**DEVELOPMENT
SERVICES**

BUILDING and SAFETY
PERMIT CENTER
2621 Northgate Lane, Suite 6
Carson City, NV 89706-1319
Ph: 775-887-2310
Fx: 775-887-2202

DEVELOPMENT ENGINEERING
2621 Northgate Lane, Suite 54
Carson City, NV 89706-1319
Ph: 775-887-2300
Fx: 775-887-2283

PLANNING
2621 Northgate Lane, Suite 62
Carson City, NV 89706-1319
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Fx: 775-887-2278

CARSON CITY NEVADA
Consolidated Municipality and State Capital



MEMORANDUM

Board of Supervisors Meeting of May 21, 2009

TO: Mayor and Supervisors

FROM: Darren L Schulz, PE – Deputy Public Works Director

DATE: May 12, 2009

SUBJECT: A brief outline for doing solar power installations with the goal of utilizing the CREBs allocation that Carson City has already attained and the EECBG monies that were allocated to the City.

On April 20, 2006 the Board of Supervisors authorized staff to pursue the Clean and Renewable Energy Bonds (CREBs). The City was authorized by the Treasury Department to issue up to \$12,402,500 million in CREBs for 15 possible project locations. Staff has reduced the locations to 10 in number due to the need to do other improvements at the locations, such as new roofs. The City does not currently have funds to complete a capital program unless it is fully funded from grants. Bonds will be issued at zero percent interest over a 12-15 year time frame depending on final issuance. Staff's intention is to use the CREBs to cover most of the costs of the solar photovoltaic installations in a manner to insure the annual bond payments can be made from energy savings. Approval of these bonds has a requirement that they must be encumbered by the end of the 2009 calendar year.

Under the ARRA, the City is scheduled to receive \$538,000 from the Energy Efficiency Community Block Grant (EECBG). Staff is planning to use these funds directly towards the solar photovoltaic projects and will use the funds to make the first payment on the CREBs. Currently, staff is preparing the submittal needed to acquire these funds.

Staff is currently in negotiations with a solar consultant who will assist staff in scoping, feasibility, and budgeting the solar projects. Once this is complete an RFP/Bid can be issued to solar contractors to design and perform the installation of the photovoltaic systems at the pre-determined locations.

When the list of actual energy projects, the prices for solar, and the direct incentives are available, we can then structure the financing. The CREBs portion will most likely be issued as an Installment-Purchase Agreement and the remainder may be done as a Medium-Term General Obligation.

**ENERGY EFFICIENCY AND CONSERVATION STRATEGY
ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT
CARSON CITY, NEVADA**

I. Summary of measurable goals and objectives:

Describe your government's proposed Energy Efficiency and Conservation Strategy. Provide a concise summary of your measurable goals and objectives, which should be aligned with the defined purposes and eligible activities of the EECBG Program. These goals and objectives should be comprehensive and maximize benefits community-wide. Provide a schedule or timetable for major milestones. If your government has an existing energy, climate, or other related strategy please describe how these strategies relate to each other.

Carson City has an adopted energy strategy that is intended to establish a plan for the city to:

- 1) Lower its energy use through conservation and energy efficiency programs
- 2) Encourage the addition of new energy generation and supplies
- 3) Purchase energy resources as cost-effectively as possible.
- 4) Develop programs to improve awareness of energy issues within Carson City.
- 5) Address legislation that impacts utility issues affecting Carson City.

The goals and objectives that Carson City intend to address with the Energy Efficiency and Conservation Block Grant include:

- 1) Reducing fossil fuels emissions through the use of renewable energy.
- 2) Reducing total energy use and cost.
- 3) Improving energy efficiency.
- 4) Creating jobs

These strategies coincide with several of the City's current goals and objectives by addressing the need to use renewable energy to reduce energy use and expenditures, as well as reduce fossil fuels emissions. The City plans to begin the installation of solar photovoltaic panels on certain city facilities by December 2009.

II. Proposed implementation plan:

Describe your government's proposed implementation plan for the use of EECBG Program funds to assist you in achieving the goals and objectives outlined in the strategy describe in question #1. Your description should include a summary of the activities submitted on your activity worksheets, and how each activity supports one or more of your strategy's goals/objectives.

Carson City plans to use EECEBG fund to:

- 1) Retain a technical consultant to assist in the development and implementation of the energy strategy:

Carson City will spend approximately \$40,000 on a technical consultant to formulate energy efficiency, conservation, and usage goals, and identify strategies to achieve these goals and measure their progress. The consultant may also develop and publish annual reports to the public describing the plans, goals, and progress of the energy strategy.

- 2) Install solar photovoltaic panels on government buildings:

Carson City has taken steps to increase the efficiency of energy use by applying for and receiving Clean Renewable Energy Bonds (CREBS) for use on solar photovoltaic installations. These bonds will be used to fund solar installations for ten project locations. The first bond payment will be made with approximately \$500,000 of the Energy Efficiency and Conservation Block Grant and the rest will be paid for with energy savings.

- 3) Explore hydropower opportunities for existing and planned water system facilities:

Carson City receives a portion of its water supply from the mountains to our west and because of the large differential in elevation the potential to capture energy is quite high. The city is currently working with a consultant on harnessing this hydropower potential and is developing a plan and financial costs and benefits for the project.

III. Consideration of implementation plans of adjacent localities:

Describe how your government is taking into account the proposed implementation plans and activities for use of funds by adjacent units of local government that are grant recipients under the Program.

Carson City will coordinate with the Carson City School District, Western Nevada College, the City of Reno, and Douglas County for contracts and pricing. All information will be shared between adjacent localities. The City will also coordinate with other agencies on projects to try and get the best contract pricing.

IV. Coordination of information with State:

Describe how your government will coordinate and share information with the state in which you are located regarding activities carried out with grant funds to maximize energy efficiency and conservation benefits.

The City will work with our technical consultant to develop a website where information regarding the energy strategy can be published. Carson City plans to post a link on the City website so the public can access this information. The City also plans to send

information regarding the energy strategy and related activities directly to the State energy office.

V. Sustaining benefits beyond EECBG funding project:

Describe how this plan has been designed to ensure that it sustains benefits beyond the EECBG funding period.

Once solar photovoltaic panels are paid for, power continues to be generated without any additional investment. The City expects an 8-10 year return on the investment with a minimum 20 year warranty on the solar photovoltaic panels. As with solar power, once hydropower facilities are constructed, power continues to be generated with little to no additional investment.

VI. Auditing and Monitoring Procedures:

The President has made it clear that every taxpayer dollar spent on our economic recovery must be subject to unprecedented levels of transparency and accountability. Describe the auditing or monitoring procedures currently in place or that will be in place (by what date), to ensure funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse.

There is an existing CDBG administration in place that will monitor the Energy Efficiency and Conservation Block Grant for compliance with all regulations. Annual reports will be given to Board of Supervisors regarding the progress and activities associated with the energy strategy. City decisions are subject to the Open Meeting Law, which gives the public notice and opportunity to participate. The City will also conduct yearly financial audits.