

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COUNTY FACILITIES

DATE: FEBRUARY 27, 2007

COMMITTEE MEMBERS PRESENT:

SUPERVISORS HASKELL
O'CONNOR
F. THOMAS
CHAMPAGNE
VANNESS
GERAGHTY

COMMITTEE MEMBER ABSENT:

GIRARD

OTHERS PRESENT:

REPRESENTING SIEMENS TECHNOLOGIES:

TOM GARRETT

GARY GERTZ

WILLIAM LAMY, DPW SUPERINTENDENT

PAUL DUSEK, COUNTY ATTORNEY

JOAN SADY, CLERK OF THE BOARD OF SUPERVISORS

SUPERVISORS BELDEN

BENTLEY

CAIMANO

MASON

JULIE PACYNA, PURCHASING AGENT

FRED AUSTIN, BUILDING PROJECT COORDINATOR

HAL PAYNE, ADMINISTRATOR - WESTMOUNT HEALTH
FACILITY

AMANDA ALLEN, LEGISLATIVE OFFICE SPECIALIST

Mr. Haskell called the meeting of the County Facilities Committee to order at 10:38 a.m.

Motion was made by Mr. Champagne, seconded by Mr. Geraghty and carried unanimously to approve the minutes of the February 15th meeting subject to correction by the Clerk of the Board.

Copies of the agenda were distributed to the Committee members, *a copy of which is on file with the minutes*, and Mr. Haskell apprised that agenda item 2a pertained to a RFP (Request for Proposal) for office space and Paul Dusek, County Attorney, was in attendance to discuss such matter; copies of the RFP, in draft form, were distributed to the Committee members, *a copy of which is on file with the minutes*.

Mr. Dusek briefly outlined the RFP for accuracy and it was the consensus of the Committee that section IIA, pertaining to location, should be changed to require a facility within a seven (7) mile radius of the Municipal Center and also to increase the square footage requirements listed under section IIB from 20,000 sq. ft. to 20,000-25,000 sq. ft. In addition, the Committee felt that the RFP should clarify that an elevator was necessary for any building with two or more floors.

Discussion ensued with respect to the RFP for office space.

Mr. Dusek asked the Committee what the deadline for responses should be and it was determined that a bid opening should be scheduled shortly before the next Committee meeting, giving a three to four week response period.

Motion was made by Mr. O'Connor, seconded by Mr. Champagne and carried unanimously to approve the RFP produced by Mr. Dusek, providing that the corrections and additions noted by the Committee were included.

Proceeding to agenda item 2b, William Lamy, DPW Superintendent, apprised that subsequent to discussion in prior Committee meetings, Cost Control Associates had determined that there was the potential to save 3-5% in energy costs by purchasing natural gas and electricity from a vendor other than National Grid for the Municipal Center. He noted that the agenda included a printout of the total costs incurred for both forms of energy in 2006 and the potential dollar amount to be saved. Mr. Lamy noted that the savings would only be realized in the delivery of the electricity and further savings analysis would require the acceptance of an agreement submitted by Cost Control Associates at an additional cost.

Mr. Dusek advised that the services of Cost Control Associates were not needed as any consumer had the ability to track energy costs and he said he was sure that the research could be done at the County level rather than hiring an outside consulting company. He added that he was concerned that part of the energy savings would be transferred to Cost Control Associates in researching the savings, which did not make sense.

Mr. Haskell reminded the Committee that the process of purchasing energy from an alternate carrier had been attempted at the Westmount Health Facility prior to the implementation of the co-generation facility and Hal Payne, Administrator of the Westmount Health Facility, confirmed this statement. Mr. Payne apprised that subsequent to the addition of the co-generation facility they were able to purchase natural gas at a much lower rate, as they were using it to generate electricity. Mr. Payne advised that although the energy could be purchased from an alternate carrier, it had to be delivered by National Grid as they owned the pipe lines. In addition, he noted, at one point the delivery of natural gas to the Westmount Health Facility had been stopped because they were not a National Grid customer and those customers purchasing the product from National Grid took precedence over those relying on National Grid solely for delivery. In light of Mr. Payne's statement, Mr. Haskell stated that he did not feel that the savings were worth the risk of losing service in the event of an energy crisis.

Moving to the new business portion of the agenda, Mr. Lamy apprised that item 3a pertained to a request for a new contract with Grasshopper Gardens, Inc. in the amount of \$16,530 for lawn control and maintenance, *including fertilizer, herbicide and pesticide application*, for the term commencing March 16, 2007 and terminating December 31, 2007. Mr. Lamy noted that this contract would include services for the Sheriff's Office also.

Motion was made by Mr. Champagne, seconded by Mr. O'Connor and carried unanimously to approve the request for a new contract with Grasshopper Gardens, Inc. in the amount of \$16,530 for lawn control and maintenance, including fertilizer, herbicide and pesticide application, for a term commencing March 16, 2007 and terminating December 31, 2007. The necessary resolution was authorized for the March 16th Board meeting and a copy of the request is on file with the minutes.

Mr. Lamy explained that agenda item 3b was a request for a new contract with Winchip Overhead Door Co., Inc. in the amount of \$67.50 per hour for overhead door repair, replacement and installation for a term commencing May 1, 2007 and terminating April 30, 2008. Mr. Lamy added that this contract also included the Sheriff's Office.

Motion was made by Mr. VanNess, seconded by Mr. O'Connor and carried unanimously to approve the contract with Winchip Overhead Door Co., Inc. for overhead door repair, replacement and installation at an hourly rate of \$67.50, for a term commencing May 1, 2007 and terminating April 30, 2008. The necessary resolution was authorized for the March 16th Board meeting and a copy of the request is on file with the minutes.

Agenda item 3c, Mr. Lamy apprised, pertained to radon mitigation in the basement of the Municipal Center. He advised that the first step in the radon mitigation was to contact a consultant qualified to give instruction for the removal of the radon. Mr. Lamy added that if the process was not too elaborate they might be able to perform the job at the County level; however it would delay the occupation of the area. Mr. Lamy suggested that the Committee consider alternate arrangements for the department they had intended to place in the basement of the Municipal Center as he was not sure how invasive the radon removal process might prove to be.

Mr. Haskell stated that Mr. Lamy should continue to determine the scope of the work needed to remove the radon as there was a very large area available if the site could be rehabilitated. Mr. Lamy advised that there was no cost estimate available for the removal of the radon, but he said there were engineers under contract with the County who might be able to analyze the removal; however, he advised, he would have to review the contracts held with these engineers to see if radon detection and removal was included in the scope of their agreements.

Motion was made by Mr. F. Thomas, seconded by Mr. O'Connor and carried unanimously to authorize Mr. Lamy to proceed in researching the extent of work required for radon mitigation and developing a proposal for the process.

With respect to the Pending Items listing included in the agenda, Mr. Haskell noted that the 'No Weapons' signs had been posted at all Warren County buildings, and there was no update on the remainder of the items listed.

Discussion ensued.

Mr. Haskell introduced Tom Garrett and Gary Gertz, both of Siemens Building Technologies, Inc., who were in attendance to review the proposal for an energy savings project to be implemented within the Municipal Center.

Mr. Garrett explained that he was in attendance to answer any questions with respect to the project and to make sure that the Committee had a clear understanding of the proposal. He noted that a key component of the project was the ability for future expansion, should additions be made to the Municipal Center, and those factors had been closely reviewed by both Siemens and Clark Patterson Associates to ensure the ability for such growth.

Mr. Garrett explained that Mr. Gertz was the head engineer for all production in New York State from the Albany area to Buffalo and, as such, all design schematics had to be approved by his department prior to their presentation.

Mr. Dusek reminded the Committee that the main purpose of the meeting was to address whether or not the project was appropriate for the County, was in fact budget neutral, to determine the risks involved and to decide if an alternate firm should be engaged to review the project on the County's behalf. He added that it had seemed the best way to answer those questions was to have the implications of the project displayed for the Committee's review and to have all questions answered by the Siemens group.

Mr. Garrett apprised that both the Countryside Adult Home and the Municipal Center projects incorporated a NYSERDA (New York State Energy Research and Development Authority) loan which would guarantee the project at a very low rate of interest. He stated that as seen in the processing of the NYSERDA loan for the Countryside Adult Home project, it took an extended period of time for NYSERDA to review all of the information required and subsequently guarantee the loan upon approval of that information. Mr. Garrett advised that one of the factors reviewed by NYSERDA were the energy savings guaranteed by Siemens in the project proposal. He noted that there was a component included in the Siemens contract which negated the entire agreement if the NYSERDA loan was not approved.

Mr. Champagne asked what the difference in interest was between a standard loan and a NYSERDA loan and Mr. Garrett replied that the NYSERDA loan would be four (4) points lower.

Mr. Garrett stated that he, and the Siemens group, wanted to be sure that the Committee was entirely comfortable with the energy savings project and were willing to take whatever steps necessary to ensure such results were met. He noted that in presenting the Countryside Adult Home proposal, he had invited any Supervisors interested to visit the Siemens headquarters to review all documentation necessary to support the project and Mr. Garrett stated that this invitation was still open.

Discussion ensued.

Mr. Caimano stated that although it had been widely debated whether or not the NYSERDA process had been attempted in connection with the Westmount Health Facility co-generation facility project, it had. Mr. Gertz explained that because the Westmount project had been for a completely different project than the one implemented at the Countryside Adult Home and intended for the Municipal Center, it had required a different type of NYSERDA funding, which they had not been able to qualify for. Mr. Gertz stated that the NYSERDA loan process had been started but not completed, as all requirements to qualify for the funding could not be met. He noted that the project proposed for the Municipal Center was a perfect fit for NYSERDA's commercial industrial program, which paid for each kilowatt hour reduced.

Mr. Champagne asked if it was wise to proceed with the energy savings program when they were unsure of future renovations and additions to the Municipal Center and Mr. Garrett replied that it was. Mr. Garrett explained that the addition of the hybrid geothermal heat pump system would lend

the ability for plenty of expansion. He noted that although a header would be placed, the geothermal wells would not be dug until they were needed at some point in the future and, as such, the County would not incur any additional costs for these wells until they were needed. Mr. Garrett stated that the remainder of the project would be replacing the current lighting and water boiler system with more energy efficient units.

Discussion ensued.

Mr. Gertz provided a powerpoint presentation, *a copy of which is on file with the minutes*, which detailed the energy savings project proposed for the Municipal Center. He noted that the main purpose of the project was to reduce energy consumption by replacing non-energy efficient appliances thereby reducing energy costs. Mr. Gertz stated that the costs of the project would essentially become budget neutral when comparing those costs with the savings incurred over a fifteen year period.

Mr. Gertz explained that the project consisted of five primary factors which were:

- 1) Replacement of the current lighting with newer, more energy efficient, technology;
- 2) Replacing the current heat pump system and cooling tower with a hybrid geothermal heat pump system which harnessed the resources of the earth to produce climate control for the Municipal Center, thereby saving energy costs;
- 3) Installation of a complete energy management system to control the hybrid geothermal heat pump system which would allow improved scheduling and maintenance of climate control;
- 4) Replacing and downsizing the current domestic water boiler with units of higher efficiency;
- 5) Installing vending misers on the vending machines located throughout the building which would essentially shut them off when not in use.

Mr. Dusek reminded the Committee that these improvements were the extent of the project and it was important to note that if the upgrades were made separately from the Siemens group costs would still be attached; however, he noted the Siemens energy proposal was intended to reflect how these improvements could be made at no cost to the County over the specified 15 year term.

Mr. Gertz apprised that in accepting the proposal from Siemens Building Technologies the County would receive a definite cost for the energy savings project. He noted that if the costs of the project turned out to be more than those estimated, Siemens Building Technologies would suffer the loss and not the County. He reiterated that the costs for the project were definite, and given in advance, with absolutely no cost changes made during the process. In addition, Mr. Gertz advised that the County would receive guaranteed energy cost savings, which if overestimated, would be reimbursed to the County by Siemens. For example, Mr. Gertz stated, if Siemens Building Technologies guaranteed savings of \$100 and only \$50 was realized, Siemens would personally provide the \$50 balance.

Additional benefits of the project, Mr. Gertz explained, were standardization of the equipment incorporated, the Siemens maintenance program included with all installed equipment for the life of the contract and many environmental benefits, such as the elimination of the chemicals used to treat the current cooling tower.

Mr. Gertz stated that many engineering resources were used in determining energy savings. He noted that Clough, Harbour & Associates, LLP; Siemens Internal Engineering and Clark Patterson Associates had worked hand in hand to maximize the improvements to the Municipal Center from a capital standpoint. Mr. Gertz apprised that standard engineering calculations were used to produce the energy savings figures in addition to industry standard building modeling software.

Mr. Gertz apprised that there were three NYSERDA programs available for the Municipal Center project, the first of which was a low interest loan entitled PON 941. He noted that the NYSERDA loan would allow a reduction of the rate of interest on the initial project loan by four points on the first \$700,000 over a 10-year period, resulting in a reduction of the aggregate interest rate. Mr. Gertz added that the reason for the \$700,000 limitation was that NYSERDA allotted a total of \$1 million to each customer and \$300,000 had already been utilized for the Countryside Adult Home project. Mr. Gertz stated that gaining NYSERDA approval was a two step process which required submission of all of the financial criteria from the lending institution and a complete technical analysis of the project including the scope of the project and energy savings calculations. He explained that once all of this information had been received, NYSERDA would review the project as a whole to determine if it met their requirements. Mr. Gertz reiterated that if the project were not approved by NYSERDA the Siemens contract would become null and void.

The second NYSERDA program was a CIPP Program, which was a commercial industrial program pertaining specifically to energy use reduction, Mr. Gertz advised. He explained that NYSERDA would pay \$.10 for each kWh (kilowatt hour) reduced. In order to qualify for this program, Mr. Gertz stated that all of the calculations leading to the savings had to be submitted for NYSERDA approval; he added that this was a process which was completed throughout the life of the project. Mr. Gertz stated that Siemens Building Technologies guaranteed \$30,000 to the County based on their calculations regardless of NYSERDA approval.

Mr. Gertz stated that the final program was the CIPP Smart Equipment Program which paid a fixed dollar amount for the implementation of certain pieces of energy efficient equipment. He noted that this program also required NYSERDA approval of the efficiency improvements.

Discussion ensued.

Mr. Gertz apprised that the Siemens Building Technologies guarantee was based solely on a reduction in energy consumption and rates based on historical data. He noted that Siemens Building Technologies would be required to produce factual statements reflecting the energy saved each year subsequent to the implementation of the energy savings program in keeping with their proposal, which deemed the project to be budget neutral.

Mr. Dusek stated that it was important to keep in mind that the Siemens Building Technologies guarantee was based on a reduction in energy consumption and consequently reduced energy costs. The project became budget neutral by using the money saved in energy costs to pay for the energy savings program, he explained. Mr. Dusek pointed out that the guarantee did not account for increases in energy prices as Siemens had no way of predicting such increases; he added that the guarantee was based on the assumption that energy prices would remain steady. Mr. Gertz noted that if energy costs were to rise, the County would be responsible for the increased costs regardless

of whether or not the energy savings program were implemented.

Discussion ensued.

Mr. Gertz apprised that in developing their proposal, Siemens had also identified the costs avoided by the implementation of the energy savings program, which were as follows:

- 1) Eliminating the need for replacement of the current cooling tower;
- 2) Avoiding full replacement of the heating pumps currently in place;
- 3) Eliminating the need for the chemicals necessary to operate the cooling tower;
- 4) Avoiding the annual maintenance costs for the current equipment as Siemens provided maintenance for the life of the 15 year project.

Mr. Dusek noted that these points were very important because if the project were not implemented the items listed by Mr. Gertz must be replaced at the County's cost. He said that these avoided costs, combined with energy savings and interest fees reduced by the NYSERDA loan were all factors contributing to the project's budget neutral status. Mr. Gertz added that all of these items were tangible monies that the County was either already spending or intended to spend to upgrade the current equipment.

Mr. Gertz advised that subsequent to the implementation of the energy savings project, a representative of Siemens Building Technologies would visit the Municipal Center on a yearly basis to provide the savings realized. If the County incurred a greater savings than those estimated by Siemens, the County would retain those additional funds, Mr. Gertz explained; however, he said, if the savings were less than estimated, Siemens Building Technologies would issue the County a check for the difference. Mr. Gertz noted that in light of these guarantees, the risk to the County was minimal.

Mr. Gertz apprised that a sizing error had been made during the implementation of a similar energy savings project at the Maplewood Manor facility in Saratoga Springs and consequently Siemens Building Technologies had issued two such refunds to the facility to provide the difference between the savings estimated and those realized. He noted that although they were still saving a tremendous amount, corrections had been made to the facility to increase the energy savings. Mr. Gertz added that the deficit was caused by a mis-calculation in the savings estimated and not a mistake in the installation of their program.

Mr. Dusek stated that the final point to keep in mind was that Siemens Building Technologies could not guarantee the NYSERDA loan approval. Also, the cost to replace the cooling tower was stipulated by County estimates and could not be guaranteed by Siemens, Mr. Dusek added. He reiterated that Siemens could not guarantee that energy costs themselves would not increase either.

In closing, Mr. Gertz noted that the final portion of his power point presentation reflected the 15-year cash flow of the project.

Mr. Garrett noted that the energy savings were estimated on a conservative basis as they had to be guaranteed, but it was his hope that the actual savings realized would prove higher than those estimated.

Mr. Dusek apprised that the Committee now needed to decide whether to proceed with the project or hire another consulting firm to review the project on their behalf.

Discussion ensued.

It was the consensus of the Committee that the decision on the future of the project should be postponed until the next meeting, which was scheduled for February 28th.

As there was no further business to come before the County Facilities Committee, on motion by Mr. Geraghty and seconded by Mr. O'Connor, Mr. Haskell adjourned the meeting at 12:03 p.m.

Respectfully Submitted,
Amanda Allen, Legislative Office Specialist