



# *City of Stevenson*

*Leana Kinley, City Administrator*

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To: City Council  
From: Leana Kinley, City Administrator  
RE: Department of Enterprise Services, Energy Program Contract  
Meeting Date: February 20, 2020

## **Executive Summary:**

In 2018 the city underwent an Energy Audit to determine if there were opportunities for upgrades to improve efficiencies and reduce costs. Two projects were identified: 1) lighting upgrades at City Hall and 2) water meter replacement to radio read meters. The city was awarded a grant under the Washington State Energy Efficiency and Solar Program on May 31, 2019. The total project cost is \$649,666, with \$314,633, or 49% of the project cost, being funded by the Department of Commerce and the remaining \$335,033 being funded by the city through a loan.

## **Overview of Items:**

The current method of reading meters takes all public works staff four days once every other month. Office staff then hand-enter the information from over 700 meters in that time period. Radio read meters would allow the city to read the meters once a month-reducing the impact of leaks on customers and the city. It would also cut the time down from days to hours. In the attached Energy Services Proposal (p. 38), the city is projected to see a return on investment of \$47,433 in the first year.

The City does not currently have the grant contract with Commerce, it is still in process. There are questions out to the agency to confirm the risk associated with contracting ahead of the grant contract, mainly what costs would be allowable prior to the contract. I hope to have an update by the council meeting.

Loan financing is in process and timed to align with the grant contract.

If council decides not to move forward with the project altogether, the city would owe \$63,094 for costs already incurred.

## **Action Needed:**

Approve the funding authorization letter in the amount of \$600,272 and the interagency agreement amendment.