



CITY COUNCIL Agenda Item #18-292

Date: October 3, 2018

Consent Discussion

SUBJECT: Bond Public Hearing

SUBMITTING DEPARTMENT: City Manager and Finance

RECOMMENDED ACTION: Conduct a public hearing on the issuance of a new bond for infrastructure improvements at the Water Resource Recovery Facility.

RELATED COUNCIL GOAL/PRIOR ACTION: Sustainable Infrastructure, Environmental Stewardship, Responsible & Responsive Government

EXPENDITURE REQUIRED: None

SOURCE OF FUNDS: N/A

LEGAL REQUIREMENTS: To provide warning to voters of proposed new bonding to be voted on at a Special City Meeting on November 6, 2018.

BACKGROUND INFORMATION: A new bond is proposed in the amount of \$16,750,000 to replace aging infrastructure and improve processing efficiency at the Water Resource Recovery Facility on Dog River Road.

SUPPORTING DOCUMENTS: WRRF Update

INTERESTED PARTIES: City Council, Voters, City Staff

CITY MANAGER'S APPROVAL:

A handwritten signature in black ink, appearing to read "W. Hoffman".

MONTPELIER WATER RESOURCE RECOVERY FACILITY



ORGANICS-TO-ENERGY PROJECT

PROJECT OVERVIEW
October 3rd, 2018

DEPARTMENT OF PUBLIC WORKS
ENERGY SYSTEMS GROUP

AGING INFRASTRUCTURE FACILITY NEEDS

The Montpelier Water Resource Recovery Facility was built in 1962. Some the equipment in use is original and now over 45yrs old. Based on a facility assessment the necessary improvements will cost \$13M over the next 10 years .



Primary Clarifiers



Waste Pumps

ORGANICS TO ENERGY OPPORTUNITY

- Energy Services Contract - Includes a guarantee of energy savings and revenue to offset project cost.
- Expands the scope of work to include improved solids handling while achieving a lower project annual cost.
- Allows the City to reduce electrical use, decrease water consumption and receive revenue for new waste streams such a dairy waste and grease.

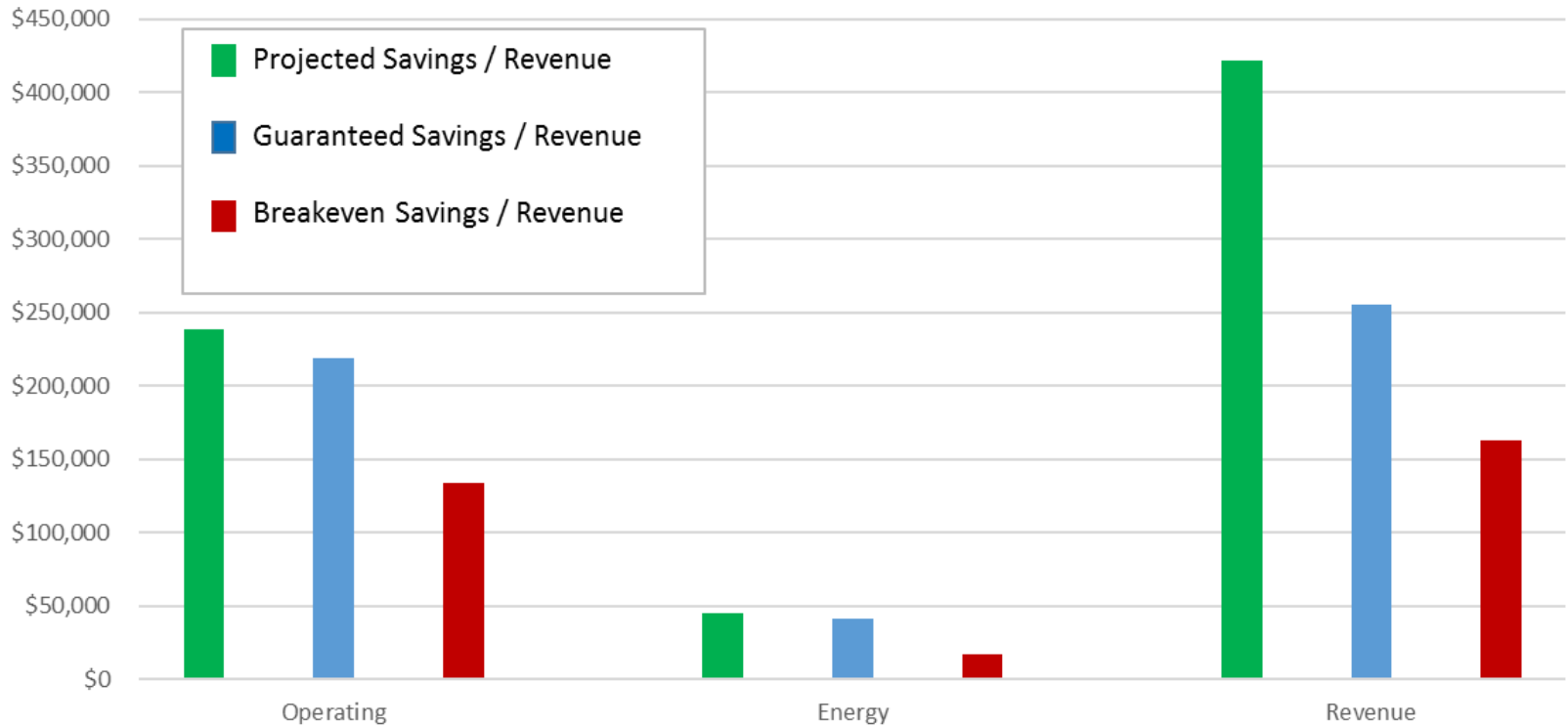


Digesters Improvements



Solids Receiving Equipment

AI/OE Project Revenue and Savings Comparison



FINANCIAL GUARANTEE

\$516,000 annual revenue and savings guarantee
Average \$92,000 positive cash flow vs. AI only

100% Energy Savings stipulated for 20yr contract term

Operational savings (sludge disposal, chemicals, water) measured

Tipping fee revenue of \$255,000 - actual dollars over current baseline; guaranteed for full contract term

- City retains all revenue upside