Passed 7-0 (Sturbaum absent)

RESOLUTION 17-34

TO APPROVE A GUARANTEED SAVINGS CONTRACT - Re: Installation of Solar Panels by Energy Systems Group, LLC

WHEREAS, Indiana Code 36-1-12.5 as amended (the "Act") authorizes the Common Council, as the governing body of the City of Bloomington, to enter into guaranteed savings contracts, as defined in the Act, with qualified providers, as defined in the Act, in order to reduce the City's energy or water consumption or operating costs; and

WHEREAS, in order to enter into a guaranteed savings contract, the Council must first publish notice that it is requesting qualified providers to propose conservation measures; and

WHEREAS, the Council completed this required notice process in November 2016, and opened the responses in January 2017; and

WHEREAS, Energy Systems Group, LLC ("ESG") is a qualified provider and provided a response to the City's request for proposals; and

WHEREAS, after the Council opened the responses in January 2017, the Council asked City Staff to work to develop the proposals into actionable guaranteed savings contracts; and

WHEREAS, before a qualified provider may install equipment or make other modifications, the qualified provider must issue a report that includes: (1) estimates for all costs attributable to such guaranteed savings contract; (2) estimates for the amounts by which energy consumption and operating costs will be reduced; and (3) the contractors and subcontractors to be used; and

WHEREAS, as of the date hereof, ESG has provided the City with a report regarding a photovoltaic installation at thirty sites across the City (the "Project"), which includes the required estimates for project costs, savings, and the identity of the contractors and subcontractors to be used by ESG; and

WHEREAS, a copy of the report is attached to this Resolution as Exhibit A; and

WHEREAS, before the City can enter into a guaranteed savings contract, it must find the amount the City will spend on the project under the guaranteed savings contract is not likely to exceed the amount to be saved by the City in energy consumption costs and other operating costs over twenty (20) years from the date of installation; and

WHEREAS, City Staff anticipates reaching a final agreement with ESG for the Project, and is seeking authorization from the Council to complete such terms and conditions of the Contract in form and substance acceptable to the Council President and Mayor in order to allow the Project to be completed prior to the end of 2017.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. The Council has reviewed the Report (Exhibit A) provided by ESG to the City detailing the Project, including all costs attributable to the Project (including design, engineering, maintenance, repairs, and debt service), the amounts by which energy or water consumption, wastewater costs, and operating costs will be reduced, and the contractors and subcontractors proposed to be used for the Project.

SECTION 2. After reviewing the Report, the Council finds that the amount the City would spend on the conservation measures described in the Project and that are recommended in the Report is not likely to exceed the amount to be saved by the City in energy consumption costs and other operating costs over twenty (20) years from the date of installation of the conservation measures in the Project.

SECTION 3. The Contract, in form and substance acceptable to the Council President and Mayor, is hereby approved, and the Council President and Mayor are hereby authorized to execute the Contract on behalf of the City; provided, however, that the Contract may not be for a Project that exceeds $19 million, the Contract will require the Project to be completed prior to December 31, 2017, the Contract will not conflict with any of the findings and determinations of the Council set forth in this Resolution regarding the Project, and the execution and delivery of the Contract by the City will only occur prior to or simultaneous with the execution and delivery of all the necessary interconnection agreements with Duke Energy regarding the Project.

SECTION 4. The Economic and Sustainable Development Department or its successor, in consultation with the Common Council, shall arrange for the initial and subsequent submission of documents and information to the Department of Local Government Finance required by Indiana Code § 36-1-12.5-10.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 9 day of August, 2017.

SUSAN SANDBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 10 day of August, 2017.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 10th day of August, 2017.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This Resolution approves a Guaranteed Savings Contract with Energy Systems Group, LLC ("ESG"). Pursuant to the approved contract, ESG will install solar panels at thirty City-owned locations across the City of Bloomington. The solar panel installation is expected to be complete by December 31, 2017, which will allow the City to take advantage of net metering at the retail rates until July 1, 2047.

Distributed to: Mayor, Clerk, Council Administrator, Legal, Controller, ESD, Public Works

Navigation SCENARIO ID

ESG ENERGY SYSTEMS GROUP

August 3, 2017

City of Bloomington PV Project

TERM		PROJECT POSITIVE CASH FLOW				PROJECT COSTS						PROJECT SUMMARY		
PERIOD	YEAR	ANNUAL ENERGY SAVINGS	ANNUAL OPERATIONS SAVINGS	CAPITAL COST AVOIDANCE	TOTAL ANNUAL POSITIVE CASH FLOW	LEASE PAYMENT	Parks and Rec	DPW	Utilities	SUPPORT SERVICES	TOTAL ANNUAL COST	PROJECT POSITIVE CASH FLOW	PROJECT COSTS	PROJECT CASHFLOW
CONSTRUCTION		$65,000	$0	$0	$65,000	$0				($10,000)	($10,000)	$65,000	($10,000)	$55,000
1	2017	$418,822	$148,821	$158,902	$726,545	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$726,545	($938,593)	($212,048)
2	2018	$435,897	$155,667	$166,211	$757,776	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$757,776	($938,593)	($180,818)
3	2019	$453,669	$162,827	$173,857	$790,353	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$790,353	($938,593)	($148,240)
4	2020	$472,165	$170,317	$181,855	$824,337	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$824,337	($938,593)	($114,256)
5	2021	$491,415	$178,152	$190,220	$859,787	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$859,787	($938,593)	($78,806)
6	2022	$511,450	$186,347	$198,970	$896,767	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$896,767	($938,593)	($41,826)
7	2023	$532,302	$194,919	$208,123	$935,344	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$935,344	($938,593)	($3,250)
8	2024	$554,004	$203,885	$217,696	$975,585	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$975,585	($938,593)	$36,992
9	2025	$576,590	$213,264	$227,710	$1,017,565	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,017,565	($938,593)	$78,972
10	2026	$600,098	$223,074	$238,185	$1,061,357	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,061,357	($938,593)	$122,764
11	2027	$624,564	$233,336	$249,142	$1,107,041	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,107,041	($938,593)	$168,448
12	2028	$650,028	$244,069	$260,602	$1,154,699	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,154,699	($938,593)	$216,105
13	2029	$676,529	$255,296	$272,590	$1,204,415	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,204,415	($938,593)	$265,822
14	2030	$704,111	$267,040	$285,129	$1,256,280	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,256,280	($938,593)	$317,687
15	2031	$732,818	$279,324	$298,245	$1,310,386	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,310,386	($938,593)	$371,793
16	2032	$762,695	$292,173	$311,964	$1,366,832	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,366,832	($938,593)	$428,238
17	2033	$793,790	$305,613	$326,314	$1,425,717	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,425,717	($938,593)	$487,124
18	2034	$826,153	$319,671	$341,325	$1,487,148	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,487,148	($938,593)	$548,555
19	2035	$859,835	$334,376	$357,026	$1,551,236	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,551,236	($938,593)	$612,643
20	2036	$894,890	$349,757	$373,449	$1,618,096	($938,593)	($150,175)	($253,420)	($534,998)	$0	($938,593)	$1,618,096	($938,593)	$679,503

SUMMATION OVER ENTIRE TERM

TERM IN YRS	ANNUAL ENERGY SAVINGS	ANNUAL OPERATIONS SAVINGS	CAPITAL COST AVOIDANCE	TOTAL ANNUAL POSITIVE CASH FLOW	LEASE PAYMENT				SUPPORT SERVICES	TOTAL ANNUAL COST	PROJECT POSITIVE CASH FLOW	PROJECT COSTS	NET PROJECT CASHFLOW
20	$12,571,825	$4,717,927	$5,037,516	$22,327,268	($18,771,868)				$0	($18,771,868)	$22,327,268	($18,771,868)	$3,555,401

CITY FACILITIES SUBJECT TO ANTICIPATED, DESIGNED AND INSTALLED PV SYSTEMS AND SPECIFIED ROOFING SCOPE OF WORK

The below City Facilities and general scopes of work are the subject of ESG's projected savings cash flow associated with the parties' anticipated initial phase guaranteed savings contract. The direct subcontractors ESG proposes to hire for this work are: (1) Horning Roofing and Sheet Metal, 2340 Enterprise Pk Pl. Avenue, Indianapolis, IN; and (2) PSG Energy Group, LLC, 608 West Main St, Suite B, Pittsboro, IN 46167. Both subcontractors are IDOA-certified to perform construction services on public works projects.

Banneker Community Center: Roofing and Solar PV Scope of Work
Fire Station #1: Roofing and Solar PV Scope of Work
Fire Station #3: Roofing and Solar PV Scope of Work
Fire Station #4: Roofing and Solar PV Scope Work
Fleet Maintenance Building: Roofing and Solar PV Scope of Work
Frank Southern Center: Roofing and Solar PV Scope of Work
Sanitation Building: Roofing and Solar PV Scope of Work
Street Department HQ: Roofing and Solar PV Scope of Work
Twin Lakes Recreational Center: Roofing (TBD) and Solar PV Scope of Work
Blucher Pool WWTP: Solar PV Scope of Work Only
Bryan Park Pool: Solar PV Scope of Work Only
Dillman WWTP Grounds: Solar PV Scope of Work Only
Fire Station #2: Roofing and Solar PV Scope of Work
Maintenance Building 345: Roofing and Solar PV Scope of Work
Maintenance Building 545: Roofing and Solar PV Scope of Work
Mills Pool: Solar PV Scope of Work Only
Monroe Water Treatment Plant: Solar PV Scope of Work Only
Morton Street Parking Garage: Solar PV Scope of Work Only
Olcott Park: Roofing and Solar PV Scope of Work
Police Dispatch: Solar PV Scope of Work Only
Police Firing Range: Solar PV Scope of Work Only
Thompson Park: Solar PV Scope of Work Only
SE Booster Station & Tank: Solar PV Scope of Work Only
Showers City Hall Fountain and Mayflower Exterior: Solar PV Scope of Work Only
Twin Lakes Ball Fields: Solar PV Scope of Work Only
Utility Department HQ: Solar PV Scope of Work Only
Walnut Street Parking Garage: Solar PV Scope of Work Only
Winslow Park- Jr Softball Fields: Solar PV Scope of Work Only
Winslow Park- Sr Baseball Fields: Solar PV Scope of Work Only
Winslow Park- Tennis Courts: Solar PV Scope of Work Only