

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Dan Takasugi, Public Works Director/City Engineer
DATE: February 2, 2010
SUBJECT: Consideration of a Resolution authorizing the submittal of an application to the California Energy Commission's Energy Efficiency Conservation Block Grant program for \$28,114 to fund Lighting Retrofits in City Facilities and appropriation of said funds during the 2009/10 budget year

APPROVAL FOR FORWARDING:


 James C. McCann, City Manager

1 **ISSUE:** Consideration of a Resolution authorizing the submittal of an application to the
 2 California Energy Commission's Energy Efficiency Conservation Block Grant program for
 3 \$28,114 to fund Lighting Retrofits in City Facilities and appropriation of said funds during the
 4 2009/10 budget year.

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 6 **RECOMMENDATION:** Adopt the Resolution.

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 8 **BACKGROUND/DISCUSSION:** The City of Calistoga has applied, and is eligible for a small
 9 cities Energy Efficiency Conservation Block Grant in the amount of \$28,114 funded by the
 10 American Recovery and Reinvestment Act of 2009 (ARRA) for appropriate energy conservation
 11 projects. This amount is determined by the City's population. The ARRA provided energy
 12 efficiency grants to local governments. Larger cities and counties received direct allocations
 13 from the federal government, while smaller cities and counties are required to access these
 14 funds through the California Energy Commission (CEC). These grants must meet certain
 15 efficiency performance criteria. Awards may not exceed one dollar (\$1) per kilowatt hour of
 16 electricity saved annually, nor ten dollars (\$10) for each therm of natural gas saved. This level
 17 of compensation itself is generally insufficient to fully fund a major project. Under these energy
 18 efficiency grant criteria, only approximately 10 to 20 percent of a solar photovoltaic or
 19 geothermal renewable energy project could be funded.

20
 21 Staff is not trained in performing the analysis of calculating and documenting the energy
 22 efficiency of complex energy projects. However, the CEC's grant criteria allow for a direct
 23 purchase option on certain specific project types. Staff evaluated the CEC's direct purchase
 24 options and believes that the most viable project is the replacement of fluorescent T-12 lighting
 25 fixtures in City facilities with more energy efficient T-8 lighting fixtures. This direct purchase
 26 option would not require that the City conduct a thorough analysis of the energy savings to meet

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27 the grant's energy efficiency criteria. City facilities affected would include: City Hall, the Police
28 Station, Public Works Facilities, Monhoff Recreation Facility, and the Community Center.

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30 While this EECBG grant funding is not completely assured, the probability of grant approval
31 from the CEC is good. The CEC requires a standard model Resolution from all local agency
32 claimants for this grant. Such a model Resolution is provided here for adoption.

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34 Due to staff workload and the grant application deadline of January 15, 2010, the grant
35 application was submitted in advance of formal approval by Council. With Council approval, the
36 attached authorizing Resolution will be forwarded for inclusion with the grant application
37 package.

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39 **ENVIRONMENTAL REVIEW:** This work is categorically exempt under Section 15301 of the
40 California Environmental Quality Act (CEQA) Guidelines as it involves the minor alteration of an
41 existing public facility with no expansion of its existing use. It was also determined that the
42 project is categorically excluded from the federal National Environmental Policy Act (NEPA)
43 because the work involves energy efficiency retrofits to local jurisdiction facilities and does not
44 involve "extraordinary circumstances" as defined by 10 CFR Section 1021.410.

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46 **FISCAL IMPACT:** While it is yet unclear how many T-12 fluorescent lighting fixtures can be
47 replaced within available funding, if 100 fixtures are replaced with T-8 fixtures, staff roughly
48 estimates an annual electrical energy savings of roughly \$2,000 to \$3,000.

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50 The Fiscal Year 2008-2010 General Fund Capital Improvement Program – Green Initiatives
51 Account (No. 4608) did not anticipate this program funding. As such, this budget adjustment
52 seeks to increase the program funding and appropriations to account for this EECBG grant by
53 \$28,114 if the grant funding is approved by the CEC. The EECBG grant program does not
54 require any matching funds for these projects.

55

56 Staff recommends City Council authorize the City Manager to accept the funding (upon grant
57 approval) and approve the budget adjustment to recognize the additional revenue and the
58 corresponding expenditure for this project during FY 2009/10.

59

60 **ATTACHMENTS**

61 1. Resolution

RESOLUTION 2010- _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA,
AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA ENERGY COMMISSION'S ENERGY EFFICIENCY CONSERVATION BLOCK GRANT PROGRAM FOR \$28,114 TO FUND LIGHTING RETROFITS IN CITY FACILITIES AND APPROPRIATION OF SAID FUNDS DURING THE 2009/10 BUDGET YEAR

1 **WHEREAS**, the City of Calistoga recognizes that it is in the interest of the regional, state, and
2 national economy to stimulate the economy, create and retain jobs; reduce fossil fuel emissions; and
3 reduce total energy usage and improve energy efficiency within our jurisdiction; and

4 **WHEREAS**, Energy Efficiency and Conservation Block Grant (EECBG) funds are available
5 through the California Energy Commission's EECBG Program for grants to eligible local governments
6 for cost-effective energy efficiency projects; and

7 **WHEREAS**, the City of Calistoga is eligible for EECBG funding under the California Energy
8 Commission's EECBG Program; and

9 **WHEREAS**, the City of Calistoga is proposing to implement the energy efficiency project
10 described in Exhibit A in order to qualify for EECBG funds from the California Energy Commission; and

11 **WHEREAS**, the City of Calistoga has considered the application of the California
12 Environmental Quality Act (CEQA) to the approval of the energy efficiency project described in Exhibit
13 A; and

14 **NOW THEREFORE, BE IT RESOLVED**, that in compliance with the CEQA, the City of
15 Calistoga finds that the approval of the energy efficiency project described in Exhibit A is a "project"
16 under CEQA that is exempt under Section 15301 of the California Environmental Quality Act (CEQA)
17 Guidelines as it involves the minor alteration of an existing public facility with no expansion of its
18 existing use; and

19 **BE IT FURTHER RESOLVED**, that the City Council authorizes the submittal of the application
20 to the California Energy Commission's EECBG Program for funds to execute the proposed project
21 described in Exhibit A; and

22 **BE IT FURTHER RESOLVED**, if recommended for funding by the California Energy
23 Commission, the City Council authorizes City of Calistoga to accept a grant award up to the amount of
24 this application for \$28,114, and, that the City Manager, acting for the City Council is hereby
25 authorized and empowered to execute in the name of the City of Calistoga, all necessary contracts
26 and agreements, and amendments hereto, to implement and carry out the purposes specified in the
27 application; and

28 **BE IT FURTHER RESOLVED**, that the City of Calistoga, City Council hereby authorizes the City
29 Manager or his designee to accept and appropriate a grant for EECBG funding in an amount up to
30 \$28,114 to the Green Initiatives Fund 4608.

31 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Calistoga at a regular
32 meeting held this 2nd day of February, 2010, by the following vote:

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34 **AYES:**

35 **NOES:**

36 **ABSTAIN/ABSENT:**

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39 _____
40 **JACK GINGLES, Mayor**

41 **ATTEST:**

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43 **SUSAN SNEDDON, City Clerk**

EXHIBIT A

Description of Energy Efficiency Conservation Block Grant Project For the City of Calistoga

Replacement of T-12 fluorescent lighting fixtures with 28-watt T-8 fluorescent lighting fixtures at City Hall, Police Department, Public Works Facilities, Monhoff Recreation Facility, and the Community Center.