

Council OKs contract for energy-saving projects

By Jeanne Davant

Manitou Springs City Council on Tuesday approved a contract with Ennovate Corp. for financing and installation of \$390,000 worth of equipment that is guaranteed to save the city \$33,000 in energy costs.

The contract is the culmination of a two-year process that started with the efforts of a citizens energy services committee. The committee, working with the Governor's Energy Office, selected Ennovate to perform an energy audit of all city buildings. After the audit, Ennovate came up with a laundry list of projects that could reduce energy costs. Council chose a number of projects from the list. Ennovate will recommend contractors from an approved list.

Ennovate researched financing on the city's behalf and found the best deal—a 10-year loan at 3.5 percent interest—with All American Investment Group of Denver at 3.5 percent for 10 years.

The city's payments on the AAIG loan will not begin until all work is completed, which is anticipated by Dec. 31, 2011. Then, the city will be obligated to pay about \$42,000 the first year. Payments will escalate to about \$47,000 the third year.

However, Ennovate guarantees annual energy savings of \$33,000 the first year, which will increase to about \$48,000 the 10th year. Ennovate is obligated to make up the difference if the guaranteed annual savings are not realized and estimates the improvements will begin to pay for themselves after eight years.

Finance Director Mike Leslie said AAIG had not yet signed the contract.

The city has completed a credit application and is awaiting approval from the lender.

The majority of the work would be done at the Aquatics Center, which accounts for the largest share of the city's utility bill. The work there will include a new heating and ventilating unit, a high-efficiency furnace for the office and locker rooms, a new condensing boiler for the main pool, two instantaneous hot-water heaters, and smaller improvements including lighting retrofits, push-button shower valves and a thermal pool cover.

City Hall, the Fire Department, library, public works buildings and water plant will get lighting retrofits and occupancy sensors. City Hall also will get an exhaust system for the evidence room and insulation.

At its Oct. 12 meeting, when council learned that it could get financing at 3.5 percent instead of an anticipated 5.5 percent, Leslie was asked to propose a change order to restore some projects for City Hall, including a new furnace, that had been cut from the list.

On Tuesday, however, Leslie said it would not be possible to add more projects in the future under a change order because interest rates would vary.

Upon completion of the work, an energy snapshot will be taken to serve as a baseline to measure savings. The city chose not to spend an additional \$3,000 per building per year to have Ennovate measure the savings. Instead, Public Works Director Bruno Pothier will monitor the city's energy bills.

"I would be willing to assist if there are any concerns," energy services committee member Kurt Eckhart said. Committee chair Coreen Toll has previously said she would also help monitor costs.

Council voted 5-2 to approve the contract. Councilmembers Ed Klingman and Michael Gerbig dissented. Klingman said he was unhappy with the financing and did not see the urgency of the projects. Gerbig has previously said he was concerned about the pool receiving the lion's

share of the work and wanted to see more done at City Hall. Both councilmen said Tuesday that they would now support the project.

In other business, Council...

- Authorized Mayor Marc Snyder to sign a contract with the State Historical Fund for restoration of the Canon and Park Avenue bridges.
- Pared a list of four executive search firms down to two. The chosen firm will help council find a city administrator. Leslie was instructed to ask KRW Associates LLC of Colorado Springs and Peckham & McKenney of Sacramento, Calif., to make presentations at the Nov. 9 Council meeting.
- Heard budget presentations from six city departments and boards. Budget presentations were to continue Wednesday. Total budget requests and overall figures were not available at press time.

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