

Council Agenda Report

Date: May 16, 2016

Prepared by: Edwin L. Bramble, Asst. Superintendent

Submitted by:  Jane Dorman, Water Resource Administrator 

SUBJECT: FY-2017 ENERGY WATER INFRASTRUCTURE PROGRAM-GRANT APPLICATION

RECOMMENDATION: That Council authorize staff to submit an application in a form approved by the City Manager, to the Maryland Department of the Environment for an energy reduction project for \$392,955.

Discussion:

This grant would be to replace four well pumps (\$367,031) and one service pump (\$25,924) at a total cost of \$392,955. All pumps are in need of replacement and would be replaced in the next 10 years.

Not only will the grant save the initial costs of replacement of \$392,955, but it will also create a savings of at least \$20,000 per year in utility costs. Additionally, MUC would save an estimated \$10,000 per year in maintenance of the aging pumps. This grant would provide be up to 100% of the replacement costs of the pumps. An award of this grant would enable us to complete this capital improvement project at no cost to the MUC sooner than expected.

Five-year Projected Savings:

Costs of pump replacement	\$392,955
Energy Costs savings	\$100,000 (5 years @ \$20,000)
Maintenance savings	<u>\$ 50,000</u> (5 years @ \$10,000)
Total savings	\$ 542,955

Preliminary approval to proceed was approved by the MUC Commission on April 28th, 2016. Applications must be received by 5/31/16.

Fiscal Impact:

See analysis of savings above. The grant is 100% reimbursable.