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CUMBERLAND COUNTY FACILITIES COMMITTEE  
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
March 16, 2010 – 8:30 AM  
SPECIAL MEETING MINUTES

MEMBERS PRESENT: Commissioner Jimmy Keefe, Chairman  
Commissioner Jeannette Council  
Commissioner Phillip Gilfus

OTHERS PRESENT: James Martin, County Manager  
Amy Cannon, Assistant County Manager  
Bob Stanger, County Engineer  
Sam Lucas, Engineering Technician II  
Al Brunson, Facilities Maintenance Manager  
Sally Shutt, Communications Manager  
Jake Regennas, Johnson Controls, Inc. (JCI)  
Candice H. White, Deputy Clerk to the Board  
Press

Commissioner Keefe called the meeting to order.

1. Election of Chairman

Chairman Keefe opened the floor for nominations for Chairman. Commissioner Gilfus nominated Commissioner Keefe. Commissioner Council moved to close the nominations. Commissioner Keefe was elected as Chairman by acclamation.

2. Approval of Minutes: December 7, 2009 Meeting

MOTION: Commissioner Gilfus moved to approve.  
SECOND: Commissioner Council  
VOTE: UNANIMOUS

3. Johnson Controls, Inc. (JCI) Guaranteed Energy Savings Project Annual Report

James Martin, County Manager, called on County Engineer Bob Stanger to provide an overview of the energy savings project for Commissioner Gilfus who was recently seated on the Board of Commissioners.

Mr. Stanger stated in November 2004, the Board of Commissioner partnered with JCI to install energy conservation measures in select county facilities through a guaranteed energy savings contract. Mr. Stanger further stated JCI is guaranteeing to the county that the cost of the improvements will be paid back over a set period of time by avoidance energy costs or energy savings. Mr. Stanger explained conservation measures that had

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been installed and stated the \$4.5 million cost was guaranteed to be paid back over twelve years through energy savings. Mr. Stanger stated as part of their continued service, JCI monitors energy usage and savings for the twelve-year guarantee period.

Mr. Stanger called on Jake Regennas of Johnson Controls, Inc. (JCI) to deliver the annual report. Mr. Regennas stated the value-added solutions created by JCI's approach funded the replacement of several obsolete heating, ventilating, air conditioning systems, outdated lighting components and certain water fixtures with highly efficient HVAC equipment, energy efficient lighting and water saving systems. Mr. Regennas reported this resulted in the fourth year performance of \$820,453. Mr. Regennas stated the performance value reflects modification adjustments to the baseline year for the county's buildings that ran above or below the agreed upon contract hours and includes extended hours at all libraries during the period in which the headquarters library was being restored. Mr. Regennas responded to questions and further explained the purpose of the modification adjustments.

Mr. Regennas compared year three (\$693,081) and year four (\$820,453) dollar savings, year three and year four energy savings, and noted that year four dollars savings had increased due to modification adjustments for extended hours at the libraries. Mr. Regennas also noted in 2008 a larger than normal demand charge was billed to the new courthouse/LEC Public Works Commission (PWC) account, which created less demand savings for the remainder of 2008. Mr. Regennas stated there was no explanation for the larger than normal demand charge and although an inquiry was made, JCI had not come to any conclusions regarding the charge.

In response to a question posed by Commissioner Gilfus, Mr. Regennas stated JCI is an energy conservation company selected by the county by means of a bid process. Mr. Regennas explained JCI monitors energy usage and savings for the library facilities, the old health department building, the mental health center, the old courthouse, the agri-expo center and the LEC/new courthouse.

Mr. Regennas responded to further questions and discussion followed regarding the larger than normal demand charge for the new courthouse/LEC Public Works Commission (PWC) account in August 2008. Mr. Regennas was asked to pursue further inquiries with PWC regarding the charge and to report back to the next meeting of the committee. In response to a question posed by Commissioner Keefe, Mr. Regennas explained the base line dates back to 2002 and modification adjustments are made annually to include degree days that compensate for weather.

Mr. Regennas continued by providing a summary of results for years one through four and stated the total project target or guarantee is \$6,216,888 over twelve years. Mr. Regennas advised the county had met over half of its target or guarantee in the first four years and the energy savings project would likely pay for itself in less than ten years with the savings that are recuperated during that time.

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Mr. Regennas reported pollution reductions as outlined in the report and recommendations for further improvements to be carried out by the county's engineering department and JCI. Mr. Regennas continued with a review of resolutions for years two through four. Mr. Regennas stated beginning in year five, JCI will continue to report the annual avoidance of the public health building as if the building were still in use.

Mr. Regennas outlined future objectives as follows:

- Identification for additional energy conservation measures, as presented in the Phase 2 proposal;
- Verification of building automated systems network to increase the integrity and reliability of system performance and energy savings;
- Proactive design review/analysis of upcoming projects based upon operation and energy management savings;
- Change all metasys building schedules, where possible, to utilize staggered start times in order to avoid additional demands kW charges;
- Add schedule to control LEC penthouse air handling unit for night setback of third and fourth floor evidence storage (one of the objectives in Phase 2); and
- Demand limiting control for LEC/Courthouse meter to reduce monthly electric bills.

Mr. Regennas called attention to the summary of modification adjustments and energy saving numbers attached to the Performance Contracting Value Report for year four. In response to a question posed by Commissioner Gilfus, Mr. Regennas explained there were no calculations or accounting of savings for fuel/natural gas going into the process.

The report was accepted by acclamation.

#### 4. Energy Efficiency and Conservation Block Grant Update

Commissioner Keefe called on Mr. Stanger who explained under the American Recovery and Reinvestment Act of 2009 for the Department of Energy (DOE), Cumberland County is a direct recipient of formula-based grants to states, US territories, units of local governments and Indian tribes under the Energy Efficiency and Conservation Block Grant (EECBG) Program. Mr. Stanger further explained Cumberland County was awarded a \$590,700 grant and is one of only four counties in North Carolina to be a direct recipient of EECBG funds. Mr. Stanger stated states were awarded large blocks of money and must allocate a portion of those funds to other units of local governments that are not direct recipients of the EECBG; therefore, Cumberland County is not eligible for monies flowing from DOE to the NC State Energy Office. In response to a question posed by Commission Gilfus, Mr. Stanger stated the award of the EECBG is based on population.

Mr. Stanger reported the required grant application was prepared by the Engineering Department, submitted in June 2009 and notification of approval was received in September 2009. Mr. Stanger further reported the initial EECBG program activity included energy audits of county facilities that were not retrofitted as part of the Guaranteed Energy Saving Performance Contract with JCI in 2006 using \$50,000 of the

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EECBG funding. Mr. Stanger stated the energy audits were conducted by JCI and JCI submitted a draft audit report to the Engineering Department for review and approval. Mr. Stanger stated the Engineering Department, in consultation with JCI and county management, selected energy conservation measures (ECMs) to implement with the balance of the EECBG funding in the amount of \$540,700. Mr. Stanger stated a revised grant application was submitted to DOE on January 22, 2010 along with the list of the core project ECMs. Mr. Stanger noted the revised grant application is still pending approval by DOE.

Mr. Stanger referenced a handout that listed core projects, projected energy savings and payback periods and advised since submission of the revised application, it was discovered that the ECMs for replacement of the burners on the boilers at the Coliseum did not have the payback that was initially reported to the county. Mr. Stanger stated this ECM was substituted by optimization of the chiller operation in the Crown Coliseum. Mr. Regennas to provided details of the chiller optimization program.

Mr. Stanger called attention to the total value of the core projects and stated it exceeds the amount of remaining grant monies by approximately \$13,492 and the shortfall would be provided from the Mental Health fund. Mr. Stanger stated facility improvement measures for the core project include lighting retrofits for nine county facilities, water conservation improvements in five county facilities, building controls in seven county facilities and three mechanical projects.

Mr. Stanger referenced a second handout that included expanded projects in addition to the core projects and provided details of the additional facility improvement measures. Mr. Stanger explained some of the energy guarantee projects are coupled to ensure that there is a reasonable pay back period for the entire project. Mr. Stanger stated the total cost for the expanded ECMs is \$907,769, which leaves a balance of \$367,069 over and above the \$540,700 EECBG funding. Mr. Stanger further stated the proposal is to fund the Mental Health ECMs from the Mental Health funds in the amount of \$42,514; fund the Coliseum ECMs from the Food and Beverage funds in the amount of \$154,532; and fund all other ECMs from the county maintenance funds in the amount of \$170,023. Mr. Stanger provided details regarding \$28,000 in additional discounting applied to the expanded projects.

Commissioner Council asked that JCI further discount their pricing. Mr. Regennas stated he would take the request back to the JCI sales team. A brief discussion followed regarding the need for ECMs in newer county facilities, continuing efforts toward cost savings in county facilities, and the proposed mental health funding of the expanded ECMs.

Commissioner Keefe inquired whether the county could accomplish the projects without the services of JCI. Mr. Martin responded without JCI, there would be no guarantee for recovery of energy savings. Mr. Stanger added county maintenance would not be able to take on the projects directly without involving outside contractors in the typical design, bid and construction process. Commissioner Keefe expressed concerns for current and

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proposed mechanical upgrades at the Coliseum and the use of Food and Beverage funds. Mr. Martin explained most of the upgrades were funded through a stimulus fund allocation with the balance being paid by the Food and Beverage fund.

Amy Cannon, Assistant County Manager, explained an upcoming request for an additional allocation of the Recovery Zone Economic Development Bond, which would fund the entire Crown Arena Theater mechanical/electrical/plumbing/life safety project. This would free up monies from the Food and Beverage fund that could be used for the Coliseum mechanical ECMs in the expanded project.

Mr. Stanger responded to additional questions and discussion followed regarding the core project, expanded projects and funding considerations for the same. Mr. Martin stated the recommendation of management and engineering is for approval of the expanded project ECMs. Mr. Stanger explained the DOE is attempting to award all grants by the end of March 2010 and his recommendation would be to amend the grant application to include the core project so the application could be approved and the \$540,700 in grant funding could be released. Mr. Martin suggested amending the grant application to include the core project and authorizing JCI to revisit their pricing on the core projects on behalf of the committee. Mr. Martin clarified the full board had approved the initial grant application. Mr. Stanger advised the intent has been to piggyback on the existing performance contract with JCI and whether the core projects or expanded projects are approved, the intention is to amend the existing agreement to have JCI implement the additional conservation measures. Discussion continued.

Mr. Stanger further advised that his dilemma associated with the request for JCI to revisit their pricing on the core projects is that the information could not be obtained from JCI and taken back to the committee within the timeframe that would allow the revised application to be submitted to the DOE and funding obligated to the county. Commissioner Keefe asked whether the grant obligated funds to JCI. Mr. Stanger responded not contractually; however, the grant application includes amending the current performance contract to include additional conservation measures so the county has basically tied itself under this project to a partnership with JCI.

Mr. Martin further suggested that the committee authorize Mr. Stanger to immediately submit the application for the EECBG grant in the amount of \$540,700 and ask JCI to come back to the committee in April with their reduced price for the value of the core projects and the additional work estimated to cost \$907,769. Mr. Martin stated once the committee receives the revised pricing by JCI, it could then consider whether to undertake any of the expanded ECM projects.

MOTION: Commissioner Gilfus moved to approve the core project.

SECOND: Commissioner Keefe

Mr. Stanger advised there is an annual cost associated with the performance contract for measurement verification services and although those costs were rolled into the contract

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for the original project, there would need to be an annual appropriation for the service in the core project in the amount of \$72,000 over a seven year period.

Commissioner Gilfus clarified the intent of his motion was to get the grant and the expanded projects could be further discussed next month.

Mr. Martin inquired whether the motion included only the grant application or whether it also included contracting with JCI. Commissioner Keefe responded the motion was to approve the grant application.

VOTE: UNANIMOUS

## 5. Other Matters of Concern

Commissioner Gilfus inquired whether there are county departments that have not received their green certification and if not, were they working towards certification. Mr. Martin responded there are still some departments gearing towards their green certification. Commissioner Gilfus stated he would be interested in hearing about the county's green standards for capital projects.

Commissioner Keefe requested that staff provide an update on individual county department green certifications and that Mr. Stanger review standards for green building and potential funding available for green technology building at the next meeting of the committee. Mr. Stanger advised the county employs energy conservation in all new construction and renovation but does not employ Leadership in Energy and Environmental Design (LEED) certified building as there is a substantial cost involved, which in his opinion, does not justify the cost. Commissioner Keefe stated the committee would like a report at its next meeting on any programs for which the county could be recognized and that could possibly serve as a direction for the county's new construction.

MEETING ADJOURNED