

LEVERAGING ENERGY SAVINGS FOR CAPITAL PROJECTS

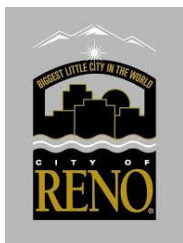


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OVER \$800M WORTH OF PUBLIC PROJECTS

PROJECTS SIZE RANGE FROM \$1M-\$150M



SAM'S OBJECTIVES AND CHALLENGES

- **Tackle deferred maintenance needs**
 - Risk mitigation (Working in an active plant)
 - Maximize staff availability for priority projects
- **Manage ratepayer dollars responsibly**
 - Insulation from utility volatility
 - Operational efficiency and resiliency
- **Environmental Stewardship**
 - Maintain highest quality treatment standards
 - Reduce environmental impact of operations



5 YEAR CAPITAL IMPROVEMENT PLAN

Biogas Flare Improvements	2019-20	\$300,000
Install VFDs	2020-21	\$75,000
Replace Motors/ Pumps	2020-21; 2022-23	\$545,000
Chemical Feed Area Cover	2019-20	\$55,000
Total:		\$975,000

PRELIMINARY ASSESSMENT



- \$3M in capital improvements for \$1M of budgeted CIP; no additional CapEx.
- OpEx savings pay for balance of the project in over a financed term.
- Additional opportunities:
 - On-site generation
 - Solar shade structures

ADDITIONAL BENEFITS

- Design-build; firm, fixed maximum price.
- Leverages Private Tax Credits through PPA
- Locks in 2019 construction costs
- Locks in 2019 interest rates; low interest financing
- Budget-neutral (operational savings pays for turn-key additional costs not included in CIP)
- Addresses critical infrastructure now instead of when budget becomes available
- Advances environmental responsibility through solar and on-site generation
- 3rd party maintenance and guaranteed performance available

NEXT STEPS

- Conceptual Presentation **8/26/2019**
- RFQ to select partner **September**
- Investment Grade Audit (IGA) **October**
- Construction Contract **November**
 - Includes financing
- Start construction **December**



THANK YOU

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