



Energy awards overwhelm small Umatilla County town

Be careful of what you wish for...



Krista Sheridan with the City of Milton-Freewater, population 6,500 in Umatilla County, now understands what that really means. Sheridan is Public Works Assistant/

For the past 20 years, city officials have been looking for funds to upgrade the heating system in the Milton-Freewater City Hall built in 1910.

Project Aide for the City of Milton-Freewater in Umatilla County and has more than 10 years of experience working with various grant funds.

In October 2009, the City received wonderful news. The Oregon Department of Energy announced that Milton-Freewater would receive four State Energy Program awards for a total of \$158,900 funded by the American Recovery & Reinvestment Act (stimulus funds). City officials have been waiting nearly 20 years to upgrade their 1910 City Hall, so the news was what they had all been wishing for.

In January 2010, Sheridan was asked to administer the four energy projects which included:

- Windows, lighting, HVAC projects at City Hall
- Lighting and window replacement at Saager Fire Station
- Lighting upgrades at City shop, out buildings
- Lighting upgrades at South Fire Station

"It was pretty overwhelming at first," she said. "These were the first State Energy Program grants I had worked on and we had already started the procurement process when I was notified of the requirements. What I soon realized

was that we were not fully in compliance with the grant requirements."

Sheridan had her work cut out for her and more.

"I had to have four new bid documents prepared within a week," she said. "We were playing 'catch-up' to be in compliance."

Sheridan started learning as much as she could as fast as she could. She attended the Oregon Department of Energy webinar for sub-recipients. She thoroughly read and re-read the 140-page Tool Kit the Oregon Department of Energy prepared for sub-recipients. She called for assistance.

"I couldn't have done it without Karen Kendall," said Sheridan. "And Paul Egbert, Shanda Shribbs and Lee Willeman with the Oregon Department of Energy were great to work with."

Kendall is the Economic Development Specialist with the Greater Eastern Oregon Development Corporation (GEODC) an Economic Development District (EDD), in Pendleton. GEODC serves Gilliam,

Grant, Harney, Malheur, Morrow, Umatilla and Wheeler counties. The Oregon Department of Energy has a contract with

GEODC to assist some of the stimulus energy project owners in Eastern Oregon as GEODC is familiar with local entities and gov-

"...I'm pretty proud of what I've accomplished..."

*- Krista Sheridan
City Public Works Assistant*



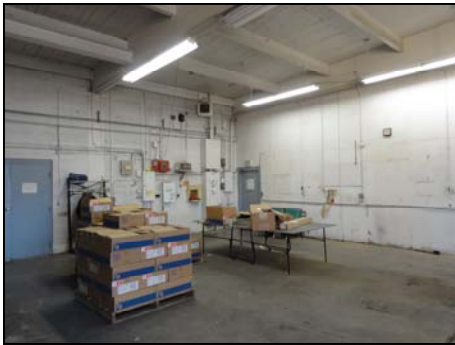
Krista Sheridan, public works assistant, was responsible for most of the documentation displayed in the boxes that was required for the City of Milton-Freewater's four energy projects funded under the American Recovery & Reinvestment Act.



ernmental grants.

Sheridan credits Kendall with helping her to learn and understand Davis-Bacon federal certified payroll. (See story following on federal grant requirements.)

Egbert is acting manager for the American Recovery & Reinvestment Team at the Oregon Department of Energy. Shribbs is a project manager and has expertise in Davis-Bacon, and Willeman is a project manager. Sheridan called on all of them as various issues with the three contractors and the four project locations came up.



New lights in the Milton-Freewater shop building were paid for with a grant from the Oregon Department of Energy's State Energy Program.

energy project documentation on top of her regular duties. Eventually, the city brought on a temporary employee to assist with her regular duties while she concentrated on the energy projects.

Sheridan calculated that she put in 960 hours on the energy projects alone between Feb. 1 and July 31, 2010. The documentation when the projects were closed out was enough to completely fill four banker boxes.

"I learned a lot," she said. "In looking back, I'm pretty proud of what I've accomplished. I never thought I'd say this, but I actually enjoyed working on these projects."

Sheridan also gets to enjoy the results of the projects. She works in the City shop which had four and eight-foot T-12 fixtures and some

"There were lots of roadblocks with contractors," Sheridan said. "They didn't understand certified wages at all and were very frustrated with me. However, I was tearing my hair out, too."

But, Sheridan persevered. She managed the energy

incandescent lamps replaced with high-efficiency four-foot T-8 fixtures.

"It's wonderful. So much brighter," Sheridan said. "The mechanics especially are very grateful for the new lighting as they don't need to use a flashlight any more to see what they are doing."

The City Hall, a three-story structure built in 1910, also greatly benefitted from the State Energy Program project funds. The historic building had once been Columbia College and had a meeting space for a Masonic Lodge upstairs before being converted to city offices in 1929.

The old facility was heated with electric baseboard heat and wall air conditioners on the second and third floors. The first-floor water-source heat pump system could not be expanded to serve the upper stories. Lighting in the City Hall was a combination of four, six and eight-foot T-12 fixtures, many of which were poorly located for the current configuration of offices. The aluminum double-pane windows, installed in 1983, were leaky and rattled.

For the past 19 years, city officials have been searching for funds to replace second and third story ducts, install a new ENERGY STAR-rated air-to-air heat pump, upgrade the lighting, and put in ENERGY STAR-rated vinyl windows. The State Energy Program funds accomplished all of that.

The estimated savings to the city for the City Hall project was estimated to be 26 percent of their electric bill or \$5,256 per year in addition to providing improved lighting, temperature control and indoor air quality to employees and customers.

"I'm ready now for more energy grants," said Sheridan. "We need insulation in some city facilities. I'd love to work on another."

The Oregon Department of Energy (ODOE) awarded this energy project with American Recovery and Reinvestment Act (stimulus) funds through the State Energy Program. These funds are designated for energy efficiency and renewable energy projects. The U.S. Department of Energy administers the funds, approves the projects and reviews the state's progress. The Oregon Department of Energy has \$42.1 million in SEP funding.

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Stimulus funds come with many requirements

“There’s no such thing as a ‘free’ lunch” is an adage that many take heed of when accepting funds. When the federal government passed the American Recovery and Reinvestment Act (stimulus funds) in February 2009, the “free”

funds did indeed have a cost.

The entities that were awarded stimulus funds for energy projects had to abide by Davis-Bacon prevailing wage requirements, Buy American Act, National Environmental Protection Agency rules, State Historical Preservation Of-



Federal requirements call for ARRA energy projects to post a sign at the project site.

fice requirements and had to provide reams of documentation. All the conditions are to ensure that project owners are accountable and transparent and that the projects produce the expected outcomes.

“The requirements and necessary documentation work are arduous and require significant effort from the project owners,” said Paul Egbert, acting manager of the American Recovery and Reinvestment Act team at the Oregon Department of Energy.

The Oregon Department of Energy received \$42.1 million in State Energy Program stimulus funds to distribute to energy efficiency and renewable projects throughout Oregon. The Department selected 230 projects, primarily to public entities including schools and higher education. All but one of Oregon’s 36 counties was awarded at least one State Energy Program award. The projects had to:

- Stimulate the creation or increase the retention of jobs
- Save measurable energy (10 MMBtu per \$1,000 invested)
- Increase energy generation from renewable resources
- Reduce greenhouse gas emissions

The Oregon Department of Energy prepared a 140-page Tool Kit to assist sub-recipients and scheduled several Webinars to review the Tool Kit material and answer questions for sub-

recipients. The Department also assigns a project manager to each project to ensure progress is being made and the project owner is in compliance with the requirements.

- A requirement of the American Recovery and Reinvestment Act is that all recipients follow the guidance regarding Buy American Act. This Act requires that all the iron, steel, and manufactured goods used in a public building or public work project are produced in the United States. There are few exceptions to the Buy American Act.
- The National Environmental Policy Act (NEPA) ensures that project owners obtain approval on environmental impacts of their projects.
- If a project involves a building that is 50 years or older or is on the National Historic Register, a project owner must obtain approval from the State Historic Preservation Office (SHPO), a state agency that manages and administers programs for the protection of the state’s historic and cultural resources.
- Another requirement is the Davis-Bacon Act that requires that all laborers and mechanics working on a project to be paid wages at rates no less than prevailing wages as determined by the US Secretary of Labor. In Oregon, the requirement calls for labors and mechanics to be paid Davis-Bacon or (on jobs more than \$50,000), Oregon Bureau of Labor and Industry (BOLI) wages, whichever are higher. Sub-recipients must report their certified payroll weekly.

The Oregon Department of Energy developed a web-based database for sub-recipients to use to report. All payments made to sub-recipients are reimbursements, so project owners must show detailed contactor invoices showing exactly what was being paid for and proof of the payment.

Project owners report the two years of energy use prior to the project and continue reporting for another two years after the project is complete. Project owners are expected to provide a monthly activity report from the time the award is made to when the project is complete.

“We are available to assist project owners to comply with federal grant requirements, but we expect them to take responsibility to ensure their project is a success,” said Egbert. “There are a lot of details, but we’ve seen many sub-recipients, such as Milton-Freewater, that have done an excellent job.”