BILL 2012-23

****** First Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: May 21, 2012

RE: Honeywell Agreement Ordinance

Issues

The City has been working with Honeywell and HDR engineers, the City's consultant, regarding improvements to the wastewater treatment plant. These improvements are not all inclusive, but address several problems. Other improvements may be necessary, but are not directly related, as they deal mostly with regulatory compliance. We will keep Council informed on the status of these improvements as they become applicable. This project was also initiated with the request from the Missouri Correctional Center to enable the facility to eliminate their lagoon system. Their wastewater would come to the City's plant untreated, except for bar screen/inert solids removal, which would be done at their facility prior to delivery to the treatment plant. By eliminating their lagoons, the wastewater temperature from the facility will increase during winter, creating less freezing problems and making better biological treatment at the plant. However, the plant will also experience more organic loading and these improvements will address those, as well as other issues. The project will increase the oxygenation of the treatment train and reduce the amount of energy required to achieve good treatment at the plant. The existing rotors will be eliminated, thereby reducing the long-term maintenance costs of repairing those units. They are very old and we have experienced two failures to date.

Honeywell will guarantee enough savings for the project to pay for itself through energy savings. The City's consultant, HDR Engineers will do an evaluation to make sure the proposed treatment methods are viable, and report to the City. The City will not be out any expense to initiate this project unless it arbitrarily decides not to do the work. The project will be guaranteed for viability and cost savings or the City will have no obligation. The City will fund the project through Certificates of Participation and the loan payments will be made through energy savings made after the construction is completed.

Recommendation

This agreement was discussed at the April 16, 2012 Council meeting and we are recommending full reading at this time.

Bill 2012-23

AN ORDINANCE AUTHORIZING AN AGREEMENT BY AND BETWEEN THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI AND HONEYWELL, INC. FOR WASTEWATER PLANT IMPROVEMENTS FINAL SOLUTION DEVELOPMENT

WHEREAS, it is the City of Cameron's intent to pursue a performance contract with Honeywell, whereby wastewater plant improvements will be made; and

WHEREAS, those improvements will pay for themselves over time in the form of energy savings and operational efficiency improvements; and

WHEREAS, Honeywell will develop a performance agreement guaranteeing project viability and payback to the City through those savings.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI AS FOLLOWS:

Section 1. The Mayor is hereby authorized to sign the agreement by and between the City of Cameron and Honeywell, Inc. a copy of which is attached hereto and made a part hereof for Honeywell to begin final solution development for the project.

Section 2. The City Clerk is hereby directed to attest to the Mayor's signature.

Passed and approved this 21st day of May 2012.
Passed and approved on second reading this _____ day of _____ 2012.
Passed and approved on third and final reading this _____ day of _____ 2012.

_____
Mayor Dennis M. Clark

ATTEST:

_____
City Clerk/Finance Clerk

First Reading