



The City Council of the City of St. Charles welcomes you to its Regular Meeting of Tuesday, February 25, 2014 at 7:00 p.m. at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

**ITEM**

**ACTION REQUESTED**

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1. Call to Order
  2. Pledge of Allegiance
  3. Approval of the Agenda
  4. Notices and Communications –
  5. Review of Financials
  6. Franklin Energy CIP Review APPROVE
  7. Frozen Pipe Update DISCUSS
  8. Resolution #03-2014 Library Fundraiser Liquor License APPROVE

**UNSCHEDULED PUBLIC APPEARANCES:** Members of the audience may address any item not on the agenda. State Statute prohibits the City Council from discussing an item that is not on the agenda, but the City Council does listen to your concerns and has staff follow up on any questions you raise.

**ADJOURNMENT**

**\*Attachment. Questions? Contact Nick Koverman at St. Charles City Hall at 932-3020 or by email at [nkoverman@stcharlesmn.org](mailto:nkoverman@stcharlesmn.org).**



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**MEMORANDUM for the CITY COUNCIL of St. Charles for  
Tuesday, February 25, 2014**

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**6. Franklin Energy 2013 CIP Review and 2014 Plan.** Enclosed is a review of the 2013 CIP initiative conducted by Franklin Energy as well as the 2014 proposed plan and incentives. Paul Bertucci from Franklin Energy will be present to go through his presentation and answer any questions.

**7. Frozen Pipe Update.** A brief update of costs and numbers will be provided with respect to the frozen pipe issues in St. Charles and our steps moving forward.

**8. Resolution #03-2014 Library Fundraiser Liquor License.** The annual Library Fundraiser will be Saturday, April 12 at 6:30 p.m. The corresponding liquor license resolution is included for consideration.

**Elements of 2014 CIP Plan**

This document serves to outline the primary activities and timeline of Franklin Energy’s efforts to identify potential enhancements to the City of St Charles, MN Conservation Improvement Program (CIP). The effort is divided into multiple tasks, defined below and detailed in the attached project timeline spreadsheet.

**Task 1: Multi-Family Assessment + Direct Install Measures Targeted Completion: 12.31.14**

This task involves the identification, outreach, owner approval, owner notification, scheduling of site visits, building assessment with direct install, documentation of direct install measures, and building assessment reporting with common area options identified. The estimated number of units for direct install is (24) with the primary measures being compact fluorescent light bulbs, low flow aerators, low flow showerheads, pipe wrap, water heater blankets, and water heater turndown where appropriate. 10% of units will have a QAQC component where the installs will go back and verify all installations. The estimated savings per measure:

Measure	Deemed Savings	Measurement
CFL	39	kWh
Pipe Insulation Per 1’	16	kWh/ft
Water Heater Blanket	83	kWh
Water Heater Turndown	758	kWh
Low Flow Showerhead*	449	kWh
Low Flow Aerator	191	kWh
LED Exit Sign Retrofit	193	kWh
Low Flow Showerhead*	2320	gallons
Low Flow Aerator	946	gallons

\*Includes hand held showerhead and screw based showerheads

**Task 2: Six Commercial / Industrial Energy Assessments + Direct Install Targeted Completion: 12.31.14**

This task involves the identification of commercial and industrial customers who would like a free ASHRAE level 1 energy assessment completed for their business. The offer will be marketed to business accounts served by the City of St Charles. The assessment includes a site visit, a report that includes savings from direct install items, and follow up visit to promote energy efficiency opportunities. We will also provide assistance in applying for any available rebates. The assessment process is meant to identify projects that will build a pipeline of savings opportunities for the near and long term. 100% of customer reports will receive a peer review prior to sending to the customer and St. Charles. Franklin Energy will direct install products from the list below and invoice St Charles per the following price list.

Measure	Savings in kWh	Price Per Install
Vending/Cooling Miser (limit 1)	1086	\$200.00
Spiral CFL 13, 23 W (limit 12)	164	\$5.00
Spot LED (limit 3)	193	\$18.50
LED Exit Sign Retrofit	193	\$35.00
Faucet Aerator	191	\$4.25
Pre-Rinse Spray Valve	957	\$54.00

Estimated volume of assessments not to exceed 6 per calendar year unless directed by St Charles staff, DI savings from assessments is expected to be <5000 kWh.

**Task 3: Custom Project & Deemed Savings Engineering Review** **Targeted Completion: 12.31.14**

This task involves the use of Franklin Energy staff to calculate and provide secondary review of custom project energy savings prior to any rebate offers being made by St Charles to their customers. This review process is meant to ensure and document savings that are associated with the rebate offers. The other component to this task is to review the deemed savings that used for either direct install activities. In addition, we would want to conduct reviews and post inspections on 10% of all business rebates completed annually. This exercise is very important to the reporting process required by the Minnesota Department of Energy Resources when related to CIP.

Target area for 2014 is residential and commercial AC tune ups and working with local Trade Ally to perform services. See table below for savings and rebate amounts.

Measure	Zone	Unit of Measure	kW Savings	kWh Savings	Estimated Rebate
Residential AC Tune-Up	3	per AC unit	0.189	119	\$50/unit
Commercial AC Tune-Up	3	per ton of cooling	0.076	48	\$50/unit

Additionally, a promotion to remove all T-12 lighting by promoting the use of high efficient or low watt T-8 will be a point of emphasis in 2014.

**Task 4: Customer, Staff, Trade Ally Training** **Targeted Completion: 12.31.13**

This task involves creating marketing materials, and delivering energy efficiency education to the customers of the City of St Charles, staff at St Charles and trade allies that support the St. Charles area. This will build upon the idea of energy efficiency as a customer satisfaction tool for the municipal utility. It is anticipated that two training events will be held during the calendar year of 2014. Emphasis will be put on technologies and techniques to reduce energy consumption across all energy sources. Two primary opportunities would be to develop an event at the school that surrounds Earth Day and the other option would be the Chamber Business & Home Expo or a special Chamber Social Event.

**Task 5: CIP Planning, Design, and Development:**

The team will review the program summary report and recommendations for program enhancements with the City of St Charles team focusing on defining the implementation strategy of the CIP portfolio on an annual basis. Emphasis on communication, planning, customer impact, and reporting will be made so future years will have a platform of which to operate under. As part of this exercise we will keep a quarterly record of gross YTD savings for the St. Charles program. This should include all commercial and residential activities related to St. Charles CIP. St. Charles will provide Franklin Energy with savings from the Low Income, Energy Star appliance, and prescriptive programs so they can be rolled up into the overall savings total to be kept on an excel based spreadsheet and housed on the Franklin Energy SharePoint site. Annually a representative from Franklin Energy will provide a program summary to the City Council typically in February.

Additional marketing tasks:

Provide energy savings newsletter to be delivered to customers on a quarterly basis.

Employ the use of a “big check” presentation for any commercial customers receiving rebates.  
 2014 Case Study will be developed that showcases business customer participation.  
 2014 Case Study will be developed that showcases residential customer participation.

**Task 6: Fifteen Residential Assessments + Direct Install Targeted Completion: 12.31.14**

Franklin Energy is prepared to complete (15) residential energy assessment to customers that are delinquent more than two months past due on St. Charles utility payments or those referred to Franklin Energy by St. Charles. The residential assessment includes a blower door analysis and report as part of a home site visit with direct install of any of the following applicable measures. Franklin Energy will direct install products from the list below and invoice St Charles per the following price list.

Measure	Deemed Savings	Measurement	Price
Programmable Thermostat	2274	kWh	\$75.00
CFL (no limit)	43	kWh	\$5.00
Pipe Insulation Per 1'	16	kWh/ft	\$2.00
Water Heater Blanket	83	kWh	\$25.00
Water Heater Turndown	758	kWh	\$0.00
Low Flow Showerhead	468	kWh	\$15.00
Low Flow Aerator	191	kWh	\$4.25
Low Flow Showerhead	2320	gallons	
Low Flow Aerator	946	gallons	

**Task 7: Appliance Recycling Program Targeted Completion: 12.31.14**

This program promotes the recycling of certain appliances, specifically, refrigerators, freezers, window air conditioners, and dehumidifiers. They are to be brought to Timm’s Auto Salvage to be recycled with a receipt provided showing the unit was properly recycled. St. Charles will offer a \$35 incentive for operable refrigerators and freezers, and \$15 per window AC and dehumidifiers that are turned in for recycling. These savings will be added to the overall total and promoted each quarter in the newsletter.

Appliance	Deemed Savings kWh Recycle Only	Deemed Savings kWh Recycle +Replacement
Refrigerator	1127	597
Freezer	550	82
Window Air Conditioner	675	62
Dehumidifier	90	90

**Task 8: School Based Energy Efficiency Targeted Completion: 12.31.14**

The service involves utility representatives working with the 5<sup>th</sup> grade teachers from the elementary school. The utility representative will give a quick presentation on energy conservation to the class and explain to the students on how making just a few easy changes in your home can save your family money on their electric bill while helping the environment at the same time.

The representative will present a kit to the students along with a worksheet that they will need to complete after they have installed the items included in the conservation kits. After the students have

returned their completed worksheet to their teacher, they will receive a free LED night light. If the class achieves 90% participation they will win a pizza party.

Savings Goals and Assumptions: The goal of this program is to touch approximately 50 students in the St. Charles service area during the school year of 2014 that are customers of St. Charles. To ensure quality control, Franklin Energy will verify eligibility through use of check off box in homework exercise.

Direct Install Measure	kWh Savings	Gallons of water Savings
Low-flow showerheads with low-flow bag to measure water flow of old showerhead	468 kWh	2320
Low-flow bathroom faucet aerator	191 kWh	
Low-flow kitchen faucet aerator	191 kWh	946
Three 13W compact fluorescent bulbs	129 kWh (43 each)	
Water heater temperature decrease (10 degrees or < than 120)	758 kWh	
Shower timer to encourage shorter showers		
Refrigerator/freezer thermometer to measure temperature of refrigerator and freezers		
Furnace filter whistle - to determine when your air filter needs to be changed		
Water temperature card to measure hot water temperature and encourage families to turn down water heater temperature		

Estimated kit cost \$22.00 tax included, pizza party \$100, paid for by the City of St. Charles.

**Task 9: Business Customer Pre-Approval**

In an effort to manage the CIP budget the following will be used to handle large projects and their associated rebate levels. The use of a pre-approval form for projects will allow for precise calculation of business customer rebates. This process will flow through Franklin Energy who will in turn provide detail to St. Charles as a way to incorporate a check and balance. The process guideline will be as follows: Annual customer rebate cap to be \$10,000. The actual calculation would be the lesser of the cap or 70% of project cost. Project rebates will be calculated using the proper cost per kWh as dictated by the program. The final rebate will be the lessor of the following \$10,000 or 70% of actual project cost calculated by the Franklin Energy advisor. This message will be clearly stated in the business pre-approval form and communicated with all parties involved.

# St. Charles Conservation Improvement Program: *2013 Summary*



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# Topics

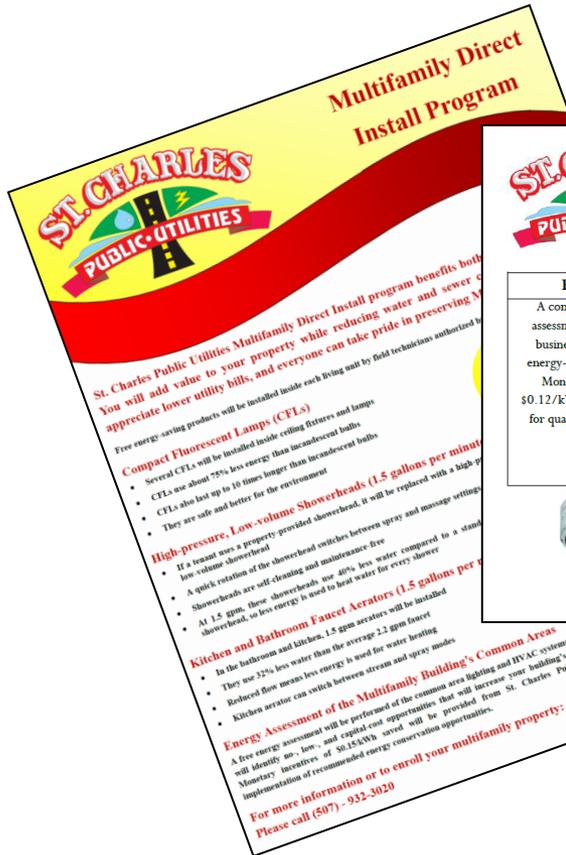
- I. Outreach and Marketing
- II. Commercial Energy Audit
- III. Multifamily Program
- IV. Community Presentations
- V. Custom Rebate Calculations
- VI. Total Savings



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# Outreach and Marketing



**ST. CHARLES PUBLIC UTILITIES**

**Multifamily Direct Install Program**

St. Charles Public Utilities Multifamily Direct Install program benefits both you and your property while reducing water and sewer costs. You will add value to your property while reducing water and sewer costs. You will appreciate lower utility bills, and everyone can take pride in preserving the environment.

Free energy-saving products will be installed inside each living unit by field technicians authorized by the City of St. Charles.

**Compact Fluorescent Lamps (CFLs)**

- Several CFLs will be installed inside ceiling fixtures and lamps
- CFLs use about 75% less energy than incandescent bulbs
- CFLs also last up to 10 times longer than incandescent bulbs
- They are safe and better for the environment

**High-pressure, Low-volume Showerheads (1.5 gallons per minute)**

- If a tenant uses a property-provided showerhead, it will be replaced with a standard low-volume showerhead
- A quick rotation of the showerhead switches between spray and massage settings
- Showerheads are self-cleaning and maintenance-free
- At 1.5 gpm, these showerheads use 40% less water compared to a standard showerhead, so less energy is used to heat water for every shower

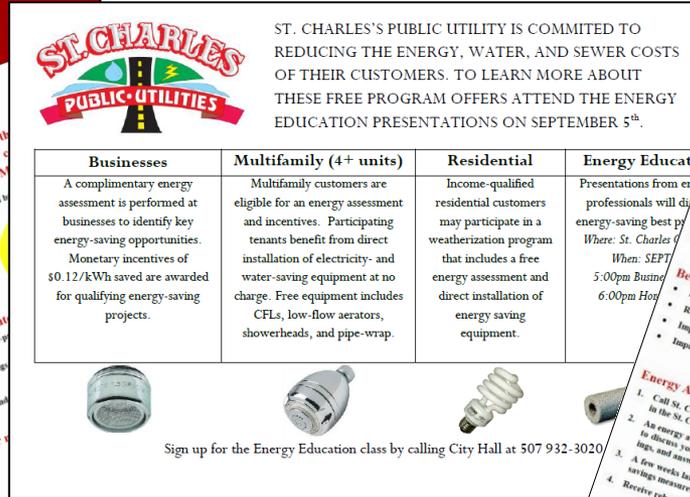
**Kitchen and Bathroom Faucet Aerators (1.5 gallons per minute)**

- In the bathroom and kitchen, 1.5 gpm aerators will be installed
- They use 32% less water than the average 2.2 gpm faucet
- Reduced flow means less energy is used for water heating
- Kitchen aerator can switch between stream and spray modes

**Energy Assessment of the Multifamily Building's Common Areas**

A free energy assessment will be performed of the common area lighting and HVAC systems. The assessment will identify no-, low-, and capital cost opportunities that will increase your building's energy efficiency. Monetary incentives of \$0.12/kWh saved will be provided from St. Charles Public Utilities upon implementation of recommended energy conservation opportunities.

For more information or to enroll your multifamily property:  
Please call (507) - 932-3020

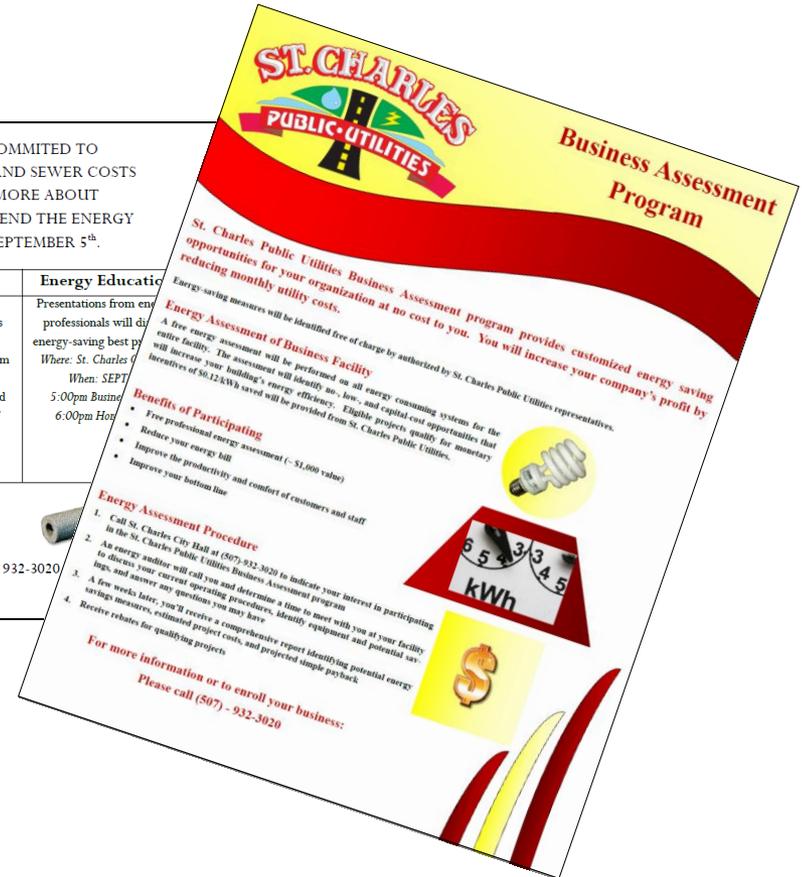


**ST. CHARLES PUBLIC UTILITIES**

ST. CHARLES'S PUBLIC UTILITY IS COMMITTED TO REDUCING THE ENERGY, WATER, AND SEWER COSTS OF THEIR CUSTOMERS. TO LEARN MORE ABOUT THESE FREE PROGRAM OFFERS ATTEND THE ENERGY EDUCATION PRESENTATIONS ON SEPTEMBER 5<sup>th</sup>.

Businesses	Multifamily (4+ units)	Residential	Energy Education
A complimentary energy assessment is performed at businesses to identify key energy-saving opportunities. Monetary incentives of \$0.12/kWh saved are awarded for qualifying energy-saving projects.	Multifamily customers are eligible for an energy assessment and incentives. Participating tenants benefit from direct installation of electricity- and water-saving equipment at no charge. Free equipment includes CFLs, low-flow aerators, showerheads, and pipe-wrap.	Income-qualified residential customers may participate in a weatherization program that includes a free energy assessment and direct installation of energy saving equipment.	Presentations from energy professionals will discuss energy-saving best practices. When: SEPT 5:00pm - 6:00pm

Sign up for the Energy Education class by calling City Hall at 507-932-3020



**ST. CHARLES PUBLIC UTILITIES**

**Business Assessment Program**

St. Charles Public Utilities Business Assessment program provides customized energy saving opportunities for your organization at no cost to you. You will increase your company's profit by reducing monthly utility costs.

Energy-saving measures will be identified free of charge by authorized St. Charles Public Utilities representatives.

**Energy Assessment of Business Facility**

A free energy assessment will be performed on all energy consuming systems for the entire facility. The assessment will identify no-, low-, and capital cost opportunities that will increase your building's energy efficiency. Eligible projects qualify for monetary incentives of \$0.12/kWh saved will be provided from St. Charles Public Utilities.

**Benefits of Participating**

- Free professional energy assessment (~ \$1,000 value)
- Reduce your energy bill
- Improve the productivity and comfort of customers and staff
- Improve your bottom line

**Energy Assessment Procedure**

1. Call St. Charles City Hall at (507)-932-3020 to indicate your interest in participating in the St. Charles Public Utilities Business Assessment program
2. An energy auditor will call you and determine a time to meet with you at your facility to discuss your current operating procedures, identify equipment and potential savings, and answer any questions you may have
3. A few weeks later, you'll receive a comprehensive report identifying potential energy saving measures, estimated project costs, and projected simple payback
4. Receive rebates for qualifying projects

For more information or to enroll your business:  
Please call (507) - 932-3020

Cold Calling

Bill Inserts

Newsletter



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# Commercial Energy Audit

- I. Purpose was to work with local businesses to identify energy saving opportunities, quantify the savings, assist with rebate application.
  
- II. Process
  - Meet with customer
  - Walkthrough facility, identify opportunities
  - Compile findings into report
  - Report readout, educate customer on options
  - On going support where necessary, urge implementation of projects that improve customer satisfaction



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# Audits and Identified Savings Potential

- 12 Completed in 2013
- Identified savings of 225,179 kWh equaling \$33,252 in savings
- Average simple payback of 4.9 years for all projects
- Projects range from lighting to air conditioning
- Excellent pipeline for 2014
- We have five commercial projects completed or in process



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Business Name	Estimated Demand Savings (kW)	Estimated Energy Savings (kWh)	Estimated Annual Cost Savings
Borderline Pizza	3.03	9,859	\$ 2,017.00
Elementary School	15.1	63,593	\$ 6,253.00
Faith Lutheran Church	10.19	11,256	\$ 1,685.00
Golf Course	1.34	14,195	\$ 2,229.00
Merchants Bank	5.82	23,335	\$ 3,485.00
NRB Metals	5.89	30,895	\$ 4,809.00
White Valley Motel	3.16	5899	\$ 1,636.00
St. Borromeo Church	22.36	29,514	\$ 4,361.00
Active Tool & Die	4.82	15255	\$ 2,298.00
DJ Liquor	2.14	7688	\$ 1,154.00
Bumper to Bumper, AutoValue	2.29	4784	\$ 694.00
White Rose Bridal & Formal Wear	8.8	8,906	\$ 2,631.00

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# Multifamily Program

- Direct installed energy-saving equipment inside apartment units. Products include:



CFLs



Low-flow aerators



Low-flow showerheads



Water Heater Blankets

- Participants: Halter Heights Apartments
- 12 apartment units received energy-saving equipment totaling:  
**2,496 kWh of electric savings and 35,678 gallons of water**

**NOTE: If you have leads on this front we welcome the opportunity to help**



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# Community Presentations

Performed two presentations at St. Charles City Hall

## I. School Presentation May 2013

- Discussed energy efficiency with students
- Provided them with project and take home

## II. Community Presentation

- Chamber Function



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# New Offers in 2013

- ❖ Appliance Recycling for Refrigerators, Freezers, Air Conditioners, and Dehumidifiers
- ❖ Air Conditioning Tune Up



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# Completed Business Projects

Five local businesses participated in custom energy-saving projects in 2013. These were submitted for engineering review to verify savings estimates and calculation of proper rebates.

- I. Borderline Pizza
- II. Cutting Edge
- III. Mike's Food Center
- IV. NRB Metals
- V. St. Charles Elementary School

Total Savings: 133,384 kWh and \$6600 in rebates



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# Total 2013 Savings

Sub-program	Energy Savings (kWh/yr)	Gallons of Water Savings
Multifamily + Direct Install	2,496	35,678
School Based Energy Project	6,646	18,222
Rebate Processing of Custom Energy Efficiency Projects	133,384	--
<b>Total:</b>	<b>142,526</b>	<b>53,900</b>
<b>*131 Energy Star Rebates</b>		



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# Targets for 2014

- ✦ Commercial and Residential Energy Assessments
- ✦ Multi-Family buildings for direct install
- ✦ School Savings project
- ✦ More participation in AC Tune up program

**City of St. Charles  
Resolution #03-2014**

**A Resolution Approving A  
One-Day 3.2 Malt Liquor License**

**WHEREAS**, the St. Charles Public Library is submitting an application to the City of St. Charles in order to sell 3.2 Malt Liquor at 125 W. 11<sup>th</sup> Street on Saturday, April 12, 2014.

**NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ST. CHARLES, MINNESOTA THAT:**

1. The Council of the City of St. Charles hereby approves the 3.2 Malt License submitted by the St. Charles Public Library to the City of St. Charles.

Adopted by the Council of the City of St. Charles, Minnesota this 25th day of February, 2014.

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**William J. Spitzer, Mayor**

Attest: \_\_\_\_\_  
**Nick Koverman, City Administrator**