



State Revolving Fund Loan Program
an Indiana Finance Authority Environmental Program

100 North Senate Avenue, Room 1275
Indianapolis, Indiana 46204
www.srf.in.gov

MEMORANDUM

TO: Project File, City of Montpelier, Phase I – Long Term Control Plan Improvements
SRF Project # WW 18 28 05 02

FROM: Ethel L. Morgan

DATE: May 30, 2019

RE: Green Project Reserve, Business Case

Summary

1. The Montpelier project provides for the City to return to compliance with its NPDES permit in accordance with the Agreed Order. The project includes the rehabilitation of a sewer interceptor, raising and lining manholes, installation of a new force main, improvements at the Combined Sewer Overflows, and improvements at the wastewater treatment plant.
2. The energy efficient component includes the reduction in Infiltration/Inflow by lining of the interceptor sewer and raising and lining the manholes, and the installation of variable frequency drives (VFDs) on the raw sewage pumps. The removal of infiltration and inflow results in an estimated annual cost savings of approximately \$18,464. Based on an estimated construction cost of \$415,000, the payback period is 22.5 years which is well below the estimated life of the rehabilitation. Installation of the VFDs on the raw sewage pumps is estimated to save approximately \$11,459 per year and has a payback period of just over 2 years based on an equipment cost estimate of \$25,000. **The actual bid cost for these items is \$666,000.** The actual payback periods are 29 years for the pipe and manhole rehabilitation and 11 years for the raw sewage pumps and VFDs.
3. The total GPR component amount for the project was estimated at \$500,000. **The total as-bid GPR for the loan is \$666,000 with planning and design costs of \$60,000 for a total GPR component of \$726,000.** Montpelier closed a loan with the SRF program in the amount of \$5,156,000 on June 3, 2019.

Conclusions

1. The business case was reviewed by internal staff and found to be in accordance with meeting the GPR requirements for energy efficiency.

