



To: DFSD Board of Education
From: Ken Slentz, Superintendent
Date: 20 February 2025 (Rev. 022625)
Re: Energy Performance Contract (EPC) Summary

BACKGROUND:

The district's buildings and grounds are in constant need of day-to-day, annual, and long-term maintenance and improvements to ensure that we are maintaining a safe, secure, and welcoming environment in which effective teaching and learning can take place.¹ The areas for maintenance and improvement are identified and consistently updated in the district's *Building Conditions Survey* and the associated *5-Year Capital Facilities Plan*, both of which are required by New York State and board policy.² To address the identified areas, the district allocates resources – time, personnel, and financing – that can most effectively and efficiently accomplish the maintenance and improvements needed. Operationally, district administration plans and executes day-to-day and annual maintenance projects that are supported by the general fund budget that is approved by the board of education. To assist with projects that must be approved by the NYS Education Department (NYSED), the board of education appoints financial advisors, architects, engineers, and project management specialists that work closely with district administration and the board's facilities committee to prioritize the items identified in the *Survey* and *Plan*. From this prioritized list, the team then develops specific projects that are typically voted on by the community due to the fact that the district will incur debt that must be supported by the taxpayers.³

During the planning of the 2019 Capital Construction Project and the subsequent Phase 2 of that project, the district determined that a number of the energy-related items identified in the areas for improvement (the project "scope") would properly fit into an *Energy Performance Contract* (EPC).⁴ Through discussions with the architects, engineers, project management firm, and the board's facilities committee, the district

¹ See Policy [7000](#), *Facilities Development Goals*.

² See NYSED's [Building Condition Survey and Visual Inspection](#) and Policy [7100](#), *Facilities Planning*.

³ Energy Performance Contracts do not require voter approval because NYS has determined that the costs associated with the work are "[ordinary contingent expenses](#)".

⁴ See NYSED's [Energy Performance Contract Guidelines](#) and [Energy Performance Contracts by Public School Districts and BOCES](#). For an excellent summary of the benefits of an EPC, see [Energy Performance Contracts – Strategic Tool When Planning School Facility Upgrades](#).

determined that a request for proposals (RFP) from an energy service company (ESCO) that would address the areas within the scope should be issued. This was done in the fall of 2024.

FEATURES OF AN EPC: Key features of an EPC include:

- *Guaranteed Savings:* In contrast to a bond referendum (community vote), an EPC does not require a tax increase or any out-of-pocket costs. The project is primarily funded by a mix of building aid and guaranteed energy savings that the upgrades will yield over time. If the guaranteed energy savings do not materialize, the energy services company must make the school district whole.
- *Minimized Risk:* The ESCO guarantees that the energy cost savings achieved will cover the project costs, minimizing financial risk for the school district.
- *Specific Scope of Work:* Projects include improvements such as HVAC upgrades, lighting retrofits, energy management systems, energy efficiency, and renewable energy installations like solar panels.
- *Funding:* The ESCO assists the district in securing funding through mechanisms like state incentives or bonds, further reducing the district's financial burden.
- *Alignment with Sustainability Goals:* These contracts help schools reduce energy consumption and carbon emissions, contributing to environmental goals.⁵
- *Long-Term Maintenance:* EPCs include ongoing maintenance and monitoring of the systems installed, ensuring optimal performance over time.⁶

PROPOSED SCOPE OF WORK: As detailed in the RFP issued in the fall of 2024, the proposed EPC consists of five components:

1. **HVAC Upgrades and Energy Management Systems:** This includes:
 - a. Conversion from steam heat to hot water at the elementary school (ES) and middle school/high school. (MS/HS.)
 - b. Replace oil-fired hot water tanks with electric hot water tanks.
 - c. Remove pneumatic controls at MS/HS and install/upgrade Direct Digital Control (DDC) system at HS.⁷
 - d. Replace Variable Frequency Drive (VFD) for circulator pump on hot water side at ES.
 - e. Install split system in 4 ES classrooms and include new ceilings.
 - f. Install VFDs at HS athletic addition.
 - g. Install Energy Recovery Ventilator (ERV) and split systems at MS/HS cafeteria and band/chorus room.

⁵ The board of education establishes sustainability and energy conservation goals through policies [8800, Sustainability](#), and [8915, Energy/Water Conservation](#). Both policies require administration to annually update the board on progress towards these goals.

⁶ See Policy 7000, above.

⁷ For a brief summary of DDC systems, see [Advantages of DDC Systems for Your Building's HVAC Systems](#).

- h. Insulate ductwork at ES.
- 2. **Lighting Retrofits:**
 - a. Replacing fluorescent lighting with LED lighting at ES and MS/HS.
 - b. Replace spline ceilings at locations receiving new lighting at ES.
 - c. Replace timers for parking lot lights at ES/MS/HS and tie to Building Management System.
- 3. **Renewable Energy:**
 - a. Install photovoltaic systems at ES/MS/HS, including canopies – with lighting, ground mount.
 - b. Install electronic vehicle charging stations.
- 4. **Energy Efficiency:**
 - a. Replace windows at 1st, 2nd and 3rd floors at HS.
 - b. Replace exterior doors including sweeps and door seals at ES/MS/HS.
 - c. Address envelop improvements (air infiltration sealing) at ES/MS/HS.
- 5. **HVAC/Energy Efficiency:**
 - a. Replace boilers (4) at HS.

The items listed here were identified during the initial walkthrough and will be more thoroughly reviewed during the Comprehensive Energy Audit. It is possible that some items will be eliminated if their energy savings do not meet the necessary levels.

NEXT STEPS:

The district received two proposals in response to the RFP. Both proposals were reviewed in collaboration with our architects, engineers, and project management firm. Based on this review and a subsequent review of one of the ESCO's revised proposal, administration will recommend that the board interview one firm in a proposed executive session at a special meeting in March 2025.⁸ At a subsequent meeting, the Board would be asked to authorize an in-depth, comprehensive energy audit to develop the final scope, timeline, and budget for the next steps of the process.

⁸ In accordance with Policy [2330](#), *Executive Sessions*, counsel has advised that the interview of the ESCO take place in executive session as the outcome could lead to a subsequent appointment in open session at a regular meeting.

