

AHFC Etohin Heights Mechanical Replacement**FY2009 Request: \$450,000****Reference No: 45387****AP/AL:** Appropriation**Project Type:** Renewal and Replacement**Category:** Health/Human Services**Location:** Wrangell**Contact:** Les Campbell**House District:** Sitka/Wrangell/Petersburg (HD**Contact Phone:** (907)330-8356

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Estimated Project Dates: 07/01/2008 - 06/30/2013**Brief Summary and Statement of Need:**

Corporate (AHFC) funds to upgrade the heating systems at the Wrangell Family Housing properties. This project will facilitate the conversion of the existing oil-fired boiler systems at both the MA03 (32 Units) and Low Rent (20 Units) Family Housing in Wrangell to a cost effective heating system powered by the local hydro-electric grid, which is less expensive to operate and maintain than the current fuel oil heating systems.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
AHFC Div	\$450,000						\$450,000
Total:	\$450,000	\$0	\$0	\$0	\$0	\$0	\$450,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	<u>0</u>	<u>0</u>
Totals:	0	0

Additional Information / Prior Funding History:

This is a new project.

Project Description/Justification:

The purpose of this project is to replace the existing oil fired mechanical systems with new electrical heating systems at the Etohin Heights Apartment Complexes in Wrangell, Alaska.

The projected outcome is to:

- Replace existing mechanical systems.

Etohin Heights Mechanical Replacement – utilizes Corporate (AHFC) funds to upgrade the heating systems at the Wrangell family housing properties. This project will facilitate the conversion of the existing oil-fired boiler systems at both the Corporate-owned Market family housing (32 Units) and Low Rent (20 Units) family housing in Wrangell to a cost effective heating system powered by the local hydroelectric grid, which is less expensive to operate and maintain than the current fuel oil heating systems.

Program Description:

This request will provide funding to replace the existing oil-fired mechanical systems with new electrical heating systems at the Etohin Heights Apartment Complex in Wrangell, Alaska.

Etohin Heights family housing complex consists of two separate groups of multifamily housing units, M213 (Low-Rent) and

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the Market housing units. The housing units were constructed in 1966 and 1968 respectively. Currently, the boiler systems are oil-fired and are essentially original equipment. They are at, or nearing, the end of their useful life.

AHFC is required by HUD to conduct energy audits of all public housing units every five years. The most recent energy audit was completed in 2007 by Alaska Engineering and Energy Consultants, LLC, (AEEC). As part of the energy audit process, recommendations are provided to help reduce costs and increase operational efficiencies of the existing system.

Currently, there is an excess of electrical capacity (hydroelectric) being generated for the city of Wrangell and surrounding area. Past cost comparisons of oil versus electricity indicated that oil was the most optimal fuel source for powering our buildings. With the increase of oil prices and the projection that oil will continue to increase, AEEC was asked, as part of the energy audit process, to run an analysis of oil versus electric as the primary energy source. Using current pricing, electrical is now, and for the foreseeable future, clearly a more efficient and less expensive energy source. The report further indicated the "pay-back" of the system is approximately nine years. Far less than the 12 to 15 years recommended by HUD.

Additionally, the report does not take into account the savings realized in the "soft" costs such as a reduction in the maintenance man-hours normally associated with oil-fired boilers, reduced emissions, increased rentability of units due to reasonable monthly heating and lighting costs, which would further reduce the actual pay-back time period.

Funding of this project is in AHFC's best interests as it lowers maintenance costs, reliance on oil as a fuel source, and increases the overall value of the property.