CITY OF MONTPELIER
MONTPELIER, VERMONT

Agenda for City Council Meeting
Thursday, January 20, 2011
07:00 P.M.

1) 11-024. Call to Order by the Mayor

2) 11-025. General Business and Appearances

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3) 11-026. Consideration of the Consent Agenda:

a) Consideration of leasing three updated digital imaging systems:

1) Due to incentives that are currently being offered by digital imaging system providers, the City has the opportunity to have newer digital imaging equipment with added functions and save money when compared to our current costs.

2) We recommend accepting OCE's proposal for a five-year lease for three digital servicing systems at the monthly cost of $1,150.00. This proposal includes consolidating and improving the printing, copying, scanning and faxing functions in the Finance, Planning and Clerk/Treasurer's Offices. (See memo from Finance Director dated January 14, 2011)

b) Acting as the Liquor Control Commission, City Council Members may now consider the following permits:

1) None as of "press time"

c) Approval of Payroll and Bills

4) 11-027. Appointments to Montpelier's Conservation Commission.

a) On January 22nd, two 2-year terms expire; on February 13th, three 3-year terms expire. Staff advertised and received the following responses:

1) Seeking reappointment for 2-year term: Christopher Hilke Erik Esselstyn

2) Seeking reappointment for 3-year term: Roy Schiff William Finnegan Kris Hammer

b) Also, the three Ex-officio Youth Members' seats are only 1-year terms; staff advertised and Conservation Commission Chair Kris Hammer notified the students currently serving. To date, only one student, Caitlin Paterson, has responded and would like to be reappointed.

d) Recommendation: Appointments, including the Ex-Officio Youth Member.

5) 11-028. Continued Discussion on Taser Policy

a) This is a continuation of the discussion held at the Council's January 12th meeting.

b) Police Chief Facos will be in attendance to provide any further information and answer additional questions that Council Members and concerned citizens may have.

5) 11-028. Continued Discussion on Taser Policy

6) 11-029. Conduct Second Public Hearing on Proposed FY12 Municipal Budget

a) The City Manager presented a recommended budget on December 8th, 2010.

b) The Council conducted "budget workshops" as part of their meetings held on December 8th, December 15th, and December 22nd, 2010; and January 5th, 2011.

c) The First Public Hearing was held on January 12th.

d) The proposed budget requires a two cent increase in the municipal tax rate (one cent for Capital Improvements and one cent for Equipment Purchases).

e) Recommendation: Conduct Second Public Hearing; provide direction to staff as necessary.

6) 11-029. Conduct Second Public Hearing on Proposed FY12 Municipal Budget

7) 11-030. Conduct Second Public Hearing on Warning for the March 1, 2011 Annual City Meeting

a) Council conducted the First Public Hearing on January 12th, 2011; this hearing is the deadline for all petitioned ballot items.

b) Recommendation: Conduct the Public Hearing; provide direction to staff as necessary.

7) 11-030. Conduct Second Public Hearing on Warning for the March 1, 2011 Annual City Meeting

8) 11-031. Update on District Heat Project

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9) 11-032. Council Reports

10) 11-033. Mayor's Report

11) 11-034. Report by the City Clerk-Treasurer

11) 11-034. Report by the City Clerk-Treasurer

12) 11-035. Status Reports by the City Manager

13) 11-036. Agenda Reports by the City Manager

Adjournment

Adjournment

CITY OF MONTPELIER
MONTPELIER, VERMONT

Agenda for SPECIAL City Council Meeting
City Council Chambers, City Hall
***Thursday*, January 20, 2011**

THIS MEETING IS BEING HELD ON A THURSDAY DUE TO THE STATUTORY REQUIREMENT THAT ACTION, ON SOME OF THE FOLLOWING AGENDA ITEMS, IS REQUIRED 40 DAYS PRIOR TO TOWN MEETING

(BECAUSE OF THE DATE CHANGE, THIS MEETING WILL BE AIRED LIVE ON CHANNEL 16)

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13) 11-036. Agenda Reports by the City Manager

Adjournment

City-State Energy Partnership: Montpelier Energy Center
January 6, 2011

The **goals of the Energy Partnership** are as follows:

1) To reduce thermal and electric energy costs for the State of Vermont and the City of Montpelier over the next 20 years.

2) To jump start the Vermont Low Carbon Economy by reducing the State and City's reliance on fossil fuels for thermal and electric energy and replacing fossil fuels with local, sustainably harvested biomass.

3) To provide the Capitol Complex and the City of Montpelier with predictable and environmentally sound energy production, minimizing emissions and other negative impacts.

To accomplish these goals, the **City of Montpelier** has undertaken the following tasks:

1) Completed three feasibility studies, beginning in the 1980s, to document the economic viability and technical needs of the project, with the most recent being a $148,000 study by Veolia Energy completed in early 2010.

2) Successfully passed a $250,000 bond and the required charter changes for the project.

3) Drafted and secured an $8 million grant from the Department of Energy to subsidize the construction of the Montpelier Energy Center, a district energy system serving the City of Montpelier, the Capitol Complex, and the buildings in the downtown.

4) Drafted and interviewed three teams of architects, engineers, and construction managers as part of an RFP process based on performance standards for a design/build approach.

The **State of Vermont** has undertaken the following tasks:

1) Supported the City's grant application with a letter that made a tentative commitment of $4 million in matching funds for the DOE grant, which requires a 50% cost share (Attachment A: letter and DOE grant budget).

2) Passed legislation as part of the capital bill directing the Department of Buildings and General Services to work with the city, enter into a letter of intent, and study the technical and economic factors involved in the implementation of the energy project (Attachment B: Copy of Legislation and letter of intent).

3) Completed a comprehensive economic and technical analysis of the plant which identified the thermal load of the Capitol Complex and determined a 20 year net present value savings of an accelerated plant replacement schedule to be an estimated $2 million.

The **next steps to advance the project** are for the City and the State to:

1) Agree to engage one of the teams that have been identified through the City's public procurement process to complete the design of the project, to apply for the necessary permits, and to help the Energy Partnership access financing to build the facility.

2) Agree to assemble a legal and technical team to draft a partnership agreement outlining the division of roles and responsibilities, the allocation of risks and revenues, and other related issues for approval by the respective governing bodies.

3) Form a shared governing committee to oversee the project as it moves forward.

Through the process of feasibility studies, drafting performance standards, and bidding the project, there are several **key considerations that need to be addressed on a policy level** before decisions can be made about the design of the Energy Center including:

1) Where is the best investment made – in technology that will serve the future, or infrastructure that is tied to the past? Steam technology requires more wood, more staffing, and more maintenance over time.

2) Is it worth a higher short-term cost to enable cogenerated electric power to improve the overall efficiency of the steam boilers and to provide renewable electricity to the Capitol Complex?

3) Accepting a private partner as part of the project has the potential to make up to $4 million available through the Treasury 1603 program. Is the State willing to cede ownership of the facility to either the City of Montpelier or a private partner, or some combination of city, state, and private partnership?

4) The State's studies have shown that by accelerating the schedule for replacing the plant, a net present value savings of $2 million is possible over the next 20 years, with very conservative assumptions about oil prices. Is this enough evidence for the State to include the $13.3 million investment needed in the current capital budget to replace the plant and build the facility with enough capacity to serve the city's needs? In this case, the city would pay back the cost of capital through a capacity charge in the thermal energy it buys from the State. The city would then use the grant to build the distribution system, with any costs less than $7 million going to the State to offset the capital costs.

Depending on the answers to these questions, there are two principal plant design and ownership options for moving forward:

Option #1: State Steam Plant Replacement

The current steam plant would be replaced with a very similar facility using virtually the same footprint as the existing plant. The new boilers would be placed above the floodplain, and the state would sell heat to the city, who would build a heat exchanger and the distribution and pumping system. The State would size the plant to include the 20% of additional capacity their plans for growth include over time, and would size the boilers to enable electric production in the event it was proven to be economically viable. The city would include an additional 10% capacity, so there would be room to start the process of adding customers to the distribution system. One outstanding question of this concept is how additional customers would be accommodated over time. This does not include electric generation.

Key Financial Points

Line Item	Costs
City Cost per MMBTU	$26.87
State Cost per MMBTU	$31.74
Average Cost per MMBTU[1]	$29.31
State Capital Needed[2]	$9,761,011
Value of City Capacity[2]	$2,174,366

1. correlates to EPR report
2. net after DOE grant distribution

Option #2: City Hot Water Plant/State Electric Generator

The City would build a hot water plant on either the Carr Lot or as an addition to the State plant, and would provide the thermal energy to the State to meet their needs in the buildings that have already been converted. The extra steam capacity this would free up in the existing State boiler plant would be used to produce electricity for the Capitol Complex.

Key Financial Points

Line Item	Costs
City Cost per MMBTU	$28.68
State Cost per MMBTU	$29.30
Average Cost per MMBTU	$28.99
Value of State Capacity*	$5,790,792
City Capital Needed*	$2,486,388

* includes DOE grant and Treasury 1603 program

Conclusion

Spreadsheets are attached that provide the basis for these figures. The big differences between the two options are not found in the financial impact, but rather in the ownership and benefits over time. The second option allows for more private hookups in the future, and over 20 years shows a significant revenue stream as a result. Option 1 does not allow for a lot of expansion over time without increases in the existing state plant footprint.

The difference between the two options points to the important policy decisions that need to be made and to the need for an empowered governance body to be created between the City and the State to make the decisions.

VERMONT

Department of Buildings & General Services
Office of the Commissioner
2 Governor Aiken Ave.
Montpelier, VT 05633

[phone] 802-828-3519
[fax] 802-828-3533

Agency of Administration

August 31, 2009

Mayor Mary Hooper
City of Montpelier
City Hall
Montpelier, VT 05602

Dear Mayor Hooper:

The Department of Buildings and General Services (BGS) oversees over 4 million square feet of state buildings. In that capacity, this department is responsible for facility construction, renovation, maintenance and security.

This letter is to confirm BGS's commitment to partnering with the City to secure the funds needed to upgrade and expand the State's district heating system. To that end, we are committed to providing whatever staff support is needed for this project as an in-kind contribution. We are also more than willing to explore the potential of a variety of state-owned sites for locating the boiler plant. We look forward to further discussions of a variety of ownership and management structures.

As you know, we have conducted a number of studies to assess and design a new biomass boiler plant that could provide heat and electricity to both the State Complex and downtown Montpelier. BGS is working to adopt more advanced biomass technologies as well as other renewables in order to meet the State's aggressive energy goals and the Governor's climate protection targets. An integrated system could prove more feasible and cost effective and so we are enthusiastic about working with the City in pursuit of such an objective. While it is obvious that the State needs to ensure appropriate control and reliability regarding the provision of heat to our buildings, we remain flexible about how that might occur. The outcome of these discussions will determine the exact framework by which a state site and/or existing equipment might be able to provide a portion of the state's contribution toward a joint project.

If DOE funds are awarded to this project, and the remaining feasibility and engineering work show the project can move forward, I am fully prepared to recommend to the Governor that Capital funds be committed toward the state's share of the project.

I look forward to working with you on this exciting State, Municipal and Private partnership to provide district heating to our capitol city.

Sincerely,

Gerry Myers
Commissioner

Cc: William Fraser, City Manager, Montpelier
Gwendolyn Hallsmith
Christopher Recchia, BERC

Capital Bill 2010
Language Authorizing Letter of Intent

(c) The commissioner of buildings and general services shall work with the city of Montpelier to determine whether the state's steam plant should be sold, leased, demolished and replaced, converted, or some combination thereof; resulting in a plant that would generate electricity and provide heat and water to state buildings and to a portion of the city. In addition, after the commissioner completes the analysis of the options presented in this subsection, the commissioner is authorized to sign a letter of intent which, at a minimum, includes in general terms the outline of the plant's location, ownership status, proposed parties to the transaction, and the necessary conveyances, conditions, and requirements to state participation in the project and that support the city of Montpelier's commencement of the necessary environmental reviews. The letter of intent shall be approved by the chairs of the senate committee on institutions and the house committee on corrections and institutions prior to signature, and no lease transfer or construction shall take place without the authorization of the general assembly.

Montpelier Community Renewable Energy Project

PROJECT MANAGEMENT PLAN

September 3, 2009

Overview

Project Purpose, Objectives, and Success Criteria

Vermont's Capital City, Montpelier, is deeply committed to leading the region and the nation in implementing replicable strategies to deploy renewable energy technologies and reduce its carbon footprint. The City has committed to a goal of reducing fossil fuel consumption by the City, its citizens and its business community by at least 80% by 2030.

The City has outlined the following objectives for this project:

- To design and construct a state of the art biomass-fueled CHP district energy system. This system will be:
  - Designed and built in partnership with the State of Vermont, the Biomass Energy Resource Center and Veolia Energy ;
  - 1200 BHP biomass capacity via two boilers at 800 HP and 400 HP;
  - Integrated with City of Montpelier district heat distribution system and CHP
  - Provisions for future hot water generation/distribution, in lieu of steam;
  - Constructed and implemented in compliance with all permits and with processes and systems that are verified and documented during construction, start-up, and commissioning in order to ensure quality, and allow for ease of replication in other communities.
- To promote the adoption of biomass district energy systems in other communities.
- To implement a seamless delivery and financing system that encourages property owners to undergo energy retrofits, and install renewable energy technologies where appropriate, so that by 2015:
  - 50% of Montpelier's homes will have implemented deep energy retrofits;
  - 50% of the buildings in the designated downtown will have undergone energy retrofits and be positioned to make maximum use of the district energy system;
  - Property owners seeking to install renewable energy technologies will have access to financing that can be repaid on their property tax bills.

Project Deliverables

Deliverable	Responsible Party	Delivery Date	Comments
Project Management Plan	BERC	9-3-09	electronic
City/State MOU	City drafts		
Scoping Study	Veolia	12-31-09	
Communication Plan	City	1-8-10	To encourage replication
CEAD	City	3-2-10	Could occur in 3/10
Ownership Entity formed	City	3-31-10	
Design Completion	Veolia (lead)	8-6-10	City, State input

Deliverable	Responsible Party	Delivery Date	Comments
Construction Permits	City	5-14-10	Support from State and Veolia
Financing secured	City (or ownership entity, if different)	8-20-10	
Bid Package	Veolia	9-27-10	
Construction PMP	Construction Mgr		
Equipment delivered on site	Construction Mgr		
System Shakedown Complete	Construction Mgr		
Commercial Operation	Owner		

Assumptions, Dependencies, and Constraints

- The boiler plant will be a single site located on a state- or city-owned site;
- Customer commitments for 80% of the thermal output can be secured prior to commencement of construction.
- The Legislature will commit funds to the project in the 2011 capital construction bill;
- Needed permits can be secured in a timely fashion;
- GMP will execute an Interconnection Agreement for the site's power;
- The power will be eligible to receive Vermont's feed-in tariff.
- Adequate supply of wood chips will be available and delivered to the facility

References

The project will maintain a public communication website and an internal management website. Links to this plan and the following reference documents will be available on the project management site.

- DOE funding application-- available from City or BERC
- BERC CHP Feasibility Study – available from City or BERC
- Rist-Frost Schematic Study – available from BGS
- RSG – air modeling study
- Current Project Timeline
- Current Capitalization and Operating Budget

Evolution of the Plan

The City shall maintain this plan, which will be reviewed and updated whenever a project milestone is reached and no less frequently than once each quarter during pre-feasibility and monthly during construction. The baseline version and all future revisions will be kept on the project website. An e-mail notice will be sent to all members of the Project Team whenever there is a change to the Plan or updates made to the timeline or budget.

Renewable Energy Implementation Plan

Intended Market

The intended market for the thermal energy produced by the Montpelier Community Renewable Energy Project is a total of 176 buildings in the central downtown and Capitol Complex of Montpelier as follows:

- Downtown buildings located north of the Winooski River and east of the North Branch including two public schools which encompasses 156 properties containing about 75,000 square feet of heated space which is expected to use 41,120 MMBtu annually with a peak load demand of 21.05 MMBH.
- Montpelier High School and as a back-up system for National Life Insurance Company which is a peak load demand of 13 MMBH
- The State Capitol Building and 15 adjacent Capitol Complex properties. This encompasses 555,000 square feet of heated space that uses 32,131 MMBtu annually with a peak load demand of 13.97 MMBH;
- Projected State office growth which is likely to include 240,000 square feet of heated space that will require approximately 14,021 MMBtu annually with a peak load demand of 10 MMBH;

The plant will be operated to meet thermal (heating) loads with power production as a byproduct. Power will be sold into the grid using Vermont's new standard offer provisions. Sales of power will provide revenues to offset the cost of providing heat for the Project's customers.

Fuel Source

The project's will be fueled by locally sourced wood chips. Feasibility studies of the project have estimated that at complete build out with CHP, the system would require 14,292 tons of chips annually. The five counties within 25 miles of Montpelier have 750,000 acres of managed timberland and have far more wood available on a sustainable basis than would be required by this system.

Interconnection Requirements

The project will need to meet the requirements of Public Service Board Rule 5.500 – see http://psb.vermont.gov/sites/psb/files/rules/OfficialAdoptedRules/5500_Electric_Generation_Interconnection_Procedures.pdf

Permitting and Siting Requirements

In order to generate electricity, the project will need a Certificate of Public Good (CPG), pursuant to 30 V.S.A § 248 from the Public Service Board. Although the public nature of this project and the CPG exempts the project from state environmental (ACT 250) and local zoning requirements, practice has typically been to obtain local approval. In addition, if the project is to be built within the Capitol Complex, it must be reviewed by the Capitol Complex Commission pursuant to 29 V.S.A § 181-186.

Project Implementation Partners

The project will be led by the City of Montpelier working in partnership with the State of Vermont and Veolia Energy NA with technical assistance provided by the Biomass Energy Resource Center (BERC). Veolia has entered into an agreement to conduct a final feasibility study for the City of Montpelier between now and the end of 2009. The City will execute a Memorandum of Understanding with Vermont Department of Buildings and General Services (BGS) later this fall that clarifies respective roles and responsibilities on this project. The study results will include recommendations about the projects final ownership structure. If a new public or quasi-public entity is formed for the express purpose of developing and owning this system, that new entity will replace the City as the project lead.

Additional project implementations partners will include downtown Montpelier property owners, National Life, the Vermont College of Fine Arts, the firm selected to act as construction manager (which could be Veolia Energy or one of its affiliates) and the project general contractor.

Key Roles and Responsibilities

- Project Manager– Gwendolyn Hallsmith, City of Montpelier
- State funding and policy issues – Gerry Myers, BGS
- Project Engineer – David Mirabelli, Veolia
- Technical lead, biomass systems– Kamalesh Doshi, BERC
- Securing customer commitments – Veolia and City
- Technical Requirements, state – Teigh Southworth, BGS
- Technical Requirements, city – Todd Law, City of Montpelier
- Selection of Construction Manager – City leads, all involved
- Vendor neutral equipment selection – BERC
- Equipment procurement – BGS or new entity
- Commissioning Oversight – Teigh Southworth, BGS and Todd Law, City of Montpelier
- External Communications – Gwendolyn Hallsmith, City of Montpelier
- CPG & Environmental Permitting– Veolia Energy, Christopher Recchia, BERC
- Reporting – Gwendolyn Hallsmith, City of Montpelier
- Financial Recordkeeping – Sandra Gallup, City of Montpelier
- Financing – City of Montpelier, lead role, Veolia Energy and State of Vermont
- Commercial Operation – BGS or new entity
- Documenting process and procedures and coordinating promotion of the model - BERC

Other Stakeholders

- Downtown Montpelier property owners will be the target customers and may be members of the eventual ownership entity. They will be informed by notice of the public web site as soon as it is available, an invitation to the presentation of Veolia's final report, participation in deciding about the ownership entity and representative participation, as warranted, on the project construction oversight team, and generally through City methods of public notice.

- Vermont College for the Fine Arts has expressed a strong interest in being one of the large institutional customers. They also have land that would be available for either the main facility or a satellite facility if a distributed model is determined to be the best option.
- National Life is one of the City's largest property owners. They are planning to install a wood chip boiler plant on-site by the end of 2010. Integrating National Life's system with the district energy system could provide back-up and redundancy. The parties will communicate directly with National Life during each phase of the project
- The Vermont State Legislature will need to approve any funding allocations for the state portion of the project. Communication to the Governor and on behalf of the Administration with the Legislature will be through BGS Commissioner Gerry Myers. The City's interests will be represented by Mayor Mary Hooper (who is also a member of the Legislature) and City Manager Williaml Fraser or his designee. Every effort shall be made to have the Team present a consensus position to the Legislature.
- Montpelier City Council will need to approve any expenditure of City funds. They will be kept informed by Gwendolyn Hallsmith, the PI.
- Green Mountain Power, the local utility, will need to execute the interconnection agreement. They will be contacted by Veolia as part of the final feasibility study.

Preliminary Economic Assessment

Capital Costs and Sources

The anticipated capital costs for the system are $ 24.93 million as detailed below:

CAPITAL COSTS		Material	Labor	Total	**Subtotals**
Soft Costs/Job Expense					
Permits				$213,000	
General Conditions				$250,000	
Bond & Mobilization				$320,000	
Equipment Rentals & Freight				$300,000	**$1,083,000**
Construction					
Site and Buildings		$675,000	$75,000	$750,000	
Underground Piping		$2,200,000	$1,000,000	$3,200,000	
Engineering			$750,000	$750,000	
Mechanical		$1,420,000	$565,000	$1,985,000	
CHP		$200,000	$50,000	$250,000	
Electrical		$2,300,000	$625,000	$2,925,000	
Controls		$500,000	$450,000	$950,000	
Materials Contingency	8%	$583,600		$583,600	
Labor Taxes & Insurance	22%		$773,300	$773,300	**$12,166,900**
Customer Connections		$1,400,000	$700,000	$2,100,000	
CEAD - Efficiency		$1,000,000	$500,000	$1,500,000	
CEAD - Renewables		$1,300,000	$200,000	$1,500,000	**$5,100,000**
Total Prime Cost				$18,349,900	**$18,349,900**
Fees and Overhead					
Overhead for GC	15%			$2,752,485	
Construction Management	10%			$2,110,239	**$4,862,724**
Sub-TOTAL					**$23,212,624**
Contingency	8%			$1,740,946.76	**$1,740,947**
		TOTAL			**$24,953,570**

Financing for the project is expected from DOE, the State, customers and borrowing from either a bank or a municipal or state-issued revenue bond. The projected sources are detailed below:

CAPITAL SOURCES		Notes	Amount	Portion
DOE		application submitted 9-09	$8,733,750	35%
State of Vermont		request in 2010	$3,743,036	15%
City Bond - approved 2003		approved	$250,000	1.0%
Village Green Renewable Pilot		committed in FY2010 state budget	$200,000	0.8%
Customers	20%	of connection costs	$420,000	1.7%
CEAD Customer Contribution	50%	of Eff/Ren Improvements	$1,500,000	6.0%
Amount to be financed			$10,106,784	40.5%
rate	6.50%			
term	15			

The plan for obtaining this financing is as follows:

- DOE funds are being solicited herein
- BGS is committed to requesting funds in the 2011 Capital Construction Budget for this project. The amount is requested is $3,743,036 or roughly 15% of total project costs.
- Customers will be expected to contribute 20% of the cost of the energy transfer station required to connect their property. A portion of this amount will be due when the customer commits to using the system. The remainder, which may be financed by the property owner, will be due at the time of installation of the hook-up.
- The City Bond has already received approval.
- The Legislature has granted the project a minimum of $100,000 from the Vermont Village Green Renewable Pilot Program in order to support customer connections to the system.

Operating Pro Forma

The annual energy output of the system is expected to be 100,845 MMBtu, of which 94% will be thermal and the remainder will be electrical. The system is expected to start operation with commitments to purchase 80% of the thermal output. The operating pro forma at start-up will be as follows:

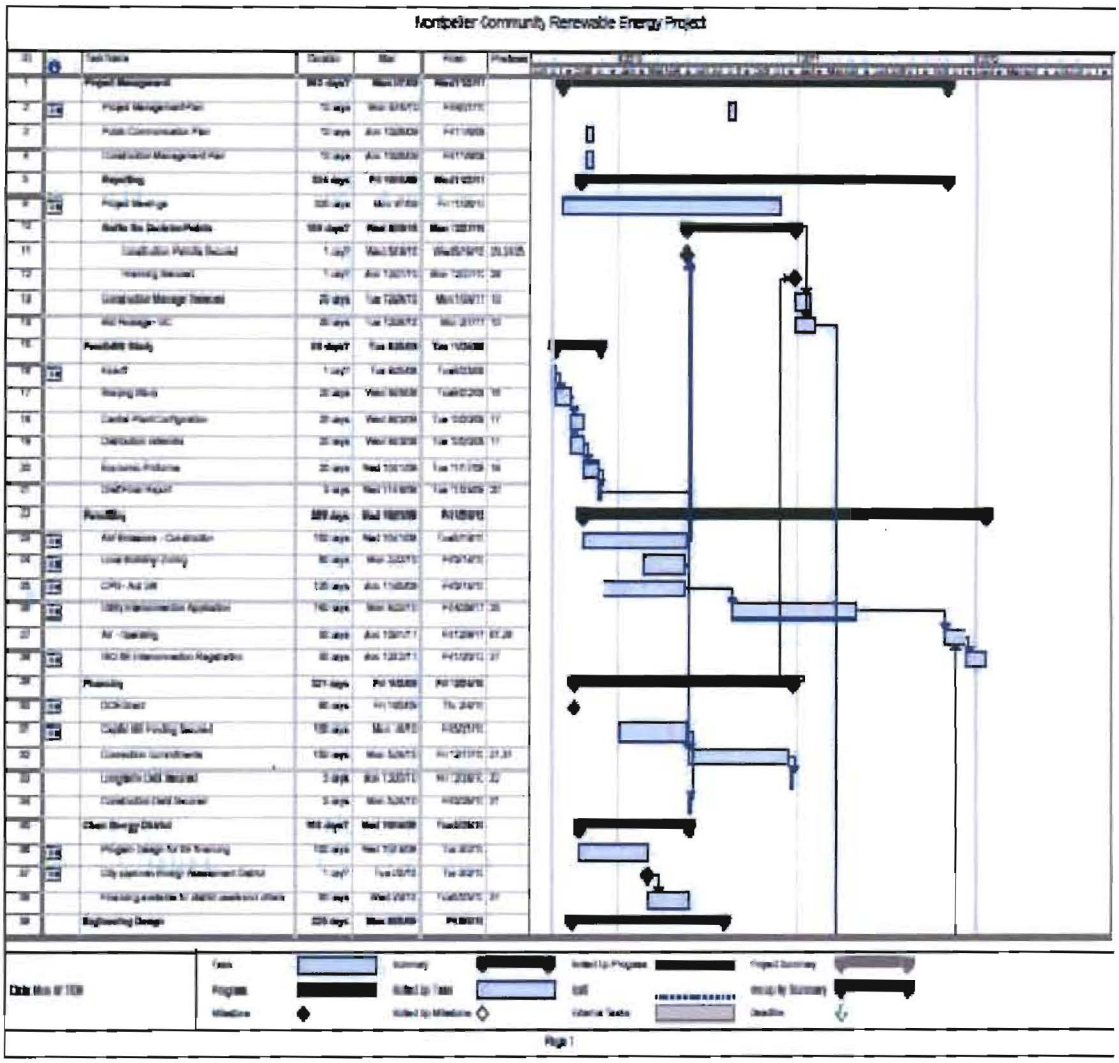
OPERATING PRO FORMA - start-up					
Revenues					
Heat energy sold	Portion	Quantity		Rate	Amount
Portion of production sold		94,567	MMBtu		
Private	30%	28,370	MMBtu	$ 26.09	$ 740,093
Public	70%	66,197	MMBtu	$ 23.19	$ 1,535,007
Electricity sold		1,840,000	KWH	0.125	$ 230,000
TOTAL					**$ 2,505,099**
Operating Expenses		**Quantity**		**Price**	**Amount**
Annual Debt Payment					$ 957,422
Fuel Costs		14,292	tons	$ 50	$ 714,608
Labor		1	foreman	42,500	$ 178,875
Non-Fuel non-labor O&M		3	operators	30,000	$ 120,000
TOTAL					**$ 1,970,905**
Net Operating Income					**$ 534,194**

Measurement, Verification and Reporting Plan

Both the State of Vermont and the City of Montpelier are committed to measuring, tracking and verifying emissions of greenhouse gases as part of their respective pledges to address climate change. The State is one of the charter members of The Climate Registry, which is a multi-state effort to provide the measurement and reporting infrastructure to support voluntary, market-based emissions reduction programs that are consistent across borders and industry sectors. Governor Douglas, has made regional cooperation on environmental policy a priority of his administration. Vermont was the first state in the region to join the Regional Greenhouse Gas Initiative, and the first state in the country to codify that agreement – and its carbon-emission reductions – into law. On June 11, 2008, the Governor signed Senate Bill 350, "An Act Relative to Energy Independence and Economic Prosperity," which established a registry to inventory the state's natural and human-generated greenhouse gas emissions. The registry is helping to establish the baseline from which the state will reduce its greenhouse gas emissions.

In 2004, the City of Montpelier's Energy Team catalogued its baseline emissions using ICLEI (State Governments for Sustainability) provided software. The two sectors with the greatest amount of carbon emissions were the residential use of light fuel oil for heating, which contributed 30% of the greenhouse gas emissions in the community at 24,000 tons of CO_2 per year, and the use of gasoline for transportation, which contributed 40% of the greenhouse gas emissions at 32,600 tons of CO_2 per year. This data will serve as a benchmark as the project moves forward, providing historical data that will help us accurately evaluate the impact of the new district energy system on carbon emissions.

Timeline



Communication, Tracking, and Reporting Plan

The Project Manager/PI will take the lead on communication among team members and reporting to stakeholders and external parties. AS the project evolves, the type and frequency of communication is expected to increase.

Type of Communication	Communication Schedule	Typical Communication Mechanism	Who Initiates	Recipient
Status Report	Bi- weekly	team meeting	Project Manager	Project Team & Key stakeholders
Schedule and Effort Tracking Report	Bi- weekly	email	Veolia	Project Manager
Project Review	monthly	face to face	Project Manager	Project Team
Risk Mitigation Status	as mitigation actions are completed	email	responsible team member	Project Manager
Requirement Changes	as changes are approved	email and change control tool	Project Manager	affected Project Participants

Risk Management and Control

The team will manage risk in a variety of ways as the project progresses. During project design, the use of simulation and sensitivity analysis will enable the team to determine what risks could affect the construction of the project and project outcomes. The use of simulation programs will allow the team to estimate the risk profiles of various decisions. Throughout the project's duration, the partners and their construction manager will be jointly responsible for risk analysis and response. Regular project meetings and effective project communication strategies will allow for early identification and resolution of errors. Veolia Energy will take the lead on identifying design, construction and technology risk and coordinating the appropriate response. The City will collaborate with the State to take the lead on identifying financial, timing, permitting and marketing risk. The designated boiler owner will take the lead on commissioning risk.

Technical Process Plans

The feasibility study will identify the optimum process model as well as specific methods and tools. A comprehensive construction management and quality assurance plan will be created after receipt of the feasibility study.

State Steam Accelerated Option

	2011	Year 1 2012	Year 2 2013	Year 3 2014	Year 4 2015	Year 5 2016	Year 6 2017	Year 7 2018	Year 8 2019	Year 9 2020	Year 10 2021	Year 11 2022	Year 12 2023	Year 13 2024	Year 14 2025	Year 15 2026	Year 16 2027	Year 17 2028	Year 18 2029	Year 19 2030	Year 20 2031
REVENUE																					
Heat Sales State		$ 1,204,012	$ 1,215,673	$ 1,227,772	$ 1,242,467	$ 1,255,449	$ 1,268,791	$ 1,282,425	$ 1,296,360	$ 1,310,589	$ 1,381,769	$ 1,397,990	$ 1,414,546	$ 1,431,420	$ 1,448,676	$ 1,466,314	$ 1,485,803	$ 1,505,778	$ 1,526,252	$ 1,547,239
Heat Sales City		$ 310,846	$ 314,665	$ 318,661	$ 323,494	$ 327,764	$ 332,153	$ 336,637	$ 341,221	$ 345,901	$ 369,313	$ 374,649	$ 380,095	$ 385,645	$ 391,321	$ 397,122	$ 403,532	$ 410,103	$ 416,837	$ 423,740
TOTAL		$ 1,514,858	$ 1,530,287	$ 1,546,433	$ 1,565,962	$ 1,583,214	$ 1,600,944	$ 1,619,063	$ 1,637,581	$ 1,656,489	$ 1,751,082	$ 1,772,639	$ 1,794,640	$ 1,817,065	$ 1,839,996	$ 1,863,436	$ 1,889,335	$ 1,915,881	$ 1,943,089	$ 1,970,979
EXPENSES																					
OPERATING																					
SubTotal Fuel:	$ 652,472	$ 498,207	$ 413,408	$ 422,564	$ 432,689	$ 445,920	$ 456,694	$ 467,751	$ 479,081	$ 490,701	$ 502,598	$ 588,358	$ 602,642	$ 617,275	$ 632,252	$ 647,602	$ 663,329	$ 679,813	$ 696,911	$ 714,333	$ 732,192
SubTotal Labor:	$ 199,306	$ 205,482	$ 211,203	$ 216,046	$ 220,669	$ 225,455	$ 230,431	$ 235,558	$ 240,772	$ 246,069	$ 251,450	$ 256,922	$ 262,469	$ 268,085	$ 273,758	$ 279,531	$ 285,402	$ 292,537	$ 299,851	$ 307,347	$ 315,031
SubTotal Overhead:	$ 44,538	$ 45,918	$ 47,197	$ 48,279	$ 49,312	$ 50,382	$ 51,494	$ 52,640	$ 53,805	$ 54,988	$ 56,191	$ 57,414	$ 58,653	$ 59,908	$ 61,176	$ 62,466	$ 63,778	$ 65,371	$ 67,007	$ 68,682	$ 70,399
TOTAL:	$ 896,316	$ 749,607	$ 671,808	$ 686,888	$ 702,670	$ 721,757	$ 738,619	$ 755,949	$ 773,658	$ 791,758	$ 810,239	$ 902,694	$ 923,764	$ 945,268	$ 967,186	$ 989,599	$ 1,012,509	$ 1,037,823	$ 1,063,769	$ 1,090,362	$ 1,117,622
City Share O&M:	$ 206,253	$ 172,494	$ 154,591	$ 158,061	$ 161,693	$ 166,085	$ 169,965	$ 173,953	$ 178,028	$ 182,193	$ 186,446	$ 207,721	$ 212,569	$ 217,518	$ 222,581	$ 227,719	$ 232,990	$ 238,816	$ 244,786	$ 250,905	$ 257,178
State Share O&M:	$ 690,063	$ 577,113	$ 517,217	$ 528,828	$ 540,977	$ 555,672	$ 568,654	$ 581,996	$ 595,630	$ 609,565	$ 623,793	$ 694,973	$ 711,195	$ 727,750	$ 744,605	$ 761,880	$ 779,519	$ 799,007	$ 818,983	$ 839,457	$ 860,444
CAPITAL																					
City Share Bond Pymt.:		$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722	$140,722
State Share Bond Pymt.:		$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795	$686,795
City MMBTU		$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13	$13
TOTAL:		$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517	$827,517
GRAND TOTAL:		$ 1,577,124	$ 1,499,325	$ 1,514,406	$ 1,530,187	$ 1,549,274	$ 1,566,136	$ 1,583,466	$ 1,601,175	$ 1,619,275	$ 1,637,756	$ 1,730,211	$ 1,751,281	$ 1,772,785	$ 1,794,703	$ 1,817,116	$ 1,840,026	$ 1,865,340	$ 1,891,286	$ 1,917,879	$ 1,945,139
City Share:		$ 313,216	$ 295,313	$ 298,784	$ 302,415	$ 306,807	$ 310,687	$ 314,675	$ 318,750	$ 322,915	$ 327,168	$ 348,443	$ 353,291	$ 358,240	$ 363,283	$ 368,441	$ 373,713	$ 379,538	$ 385,508	$ 391,628	$ 397,900
State Share:		$ 1,263,909	$ 1,204,012	$ 1,215,623	$ 1,227,772	$ 1,242,467	$ 1,255,449	$ 1,268,791	$ 1,282,425	$ 1,296,360	$ 1,310,589	$ 1,381,769	$ 1,397,990	$ 1,414,546	$ 1,431,420	$ 1,448,676	$ 1,466,314	$ 1,485,803	$ 1,505,778	$ 1,526,252	$ 1,547,239
$/MMBTU:																					
City (Capital)		$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11	$11
City (O&M)		$ 15.43	$ 13.83	$ 14.14	$ 14.47	$ 14.86	$ 15.21	$ 15.56	$ 15.93	$ 16.30	$ 16.68	$ 18.58	$ 19.02	$ 19.46	$ 19.91	$ 20.37	$ 20.85	$ 21.37	$ 21.90	$ 22.45	$ 23.01
City Total		$ 26.87	$ 25.27	$ 25.58	$ 25.91	$ 26.30	$ 26.65	$ 27.00	$ 27.37	$ 27.74	$ 28.12	$ 30.03	$ 30.46	$ 30.90	$ 31.35	$ 31.81	$ 32.29	$ 32.81	$ 33.34	$ 33.89	$ 34.45
ANNUAL PROFIT/LOSS		$ 15,532.41	$ 15,881.09	$ 16,245.95	$ 16,687.25	$ 17,077.10	$ 17,477.78	$ 17,887.22	$ 18,305.70	$ 18,732.96	$ 20,870.57	$ 21,357.72	$ 21,854.90	$ 22,361.65	$ 22,879.84	$ 23,409.53	$ 23,994.80	$ 24,594.68	$ 25,209.51	$ 25,839.77
State (Capital)		$ 33.32	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10	$ 18.10
State (O&M)		$ 15.23	$ 13.63	$ 13.94	$ 14.26	$ 14.65	$ 14.99	$ 15.34	$ 15.70	$ 16.07	$ 16.44	$ 18.32	$ 18.75	$ 19.18	$ 19.63	$ 20.08	$ 20.55	$ 21.06	$ 21.59	$ 22.13	$ 22.68
State (Total)		$ 48.53	$ 31.74	$ 32.04	$ 32.37	$ 32.75	$ 33.09	$ 33.45	$ 33.81	$ 34.17	$ 34.55	$ 36.42	$ 36.85	$ 37.29	$ 37.73	$ 38.19	$ 38.65	$ 39.17	$ 39.69	$ 40.23	$ 40.79
PVF	1.0000	0.9834	0.9511	0.9198	0.8896	0.8603	0.8320	0.8047	0.7782	0.7526	0.7279	0.7039	0.6808	0.6584	0.6368	0.6158	0.5956	0.5760	0.5570	0.5387	0.5210
PV Capital:																					
City Share:		$ 138,389	$ 133,839	$ 129,438	$ 125,182	$ 121,065	$ 117,085	$ 113,235	$ 109,511	$ 105,910	$ 102,428	$ 99,060	$ 95,802	$ 92,652	$ 89,606	$ 86,659	$ 83,810	$ 81,054	$ 78,389	$ 75,811	$ 73,318
State Share:		$ 675,409	$ 653,200	$ 631,722	$ 610,950	$ 590,860	$ 571,432	$ 552,642	$ 534,470	$ 516,895	$ 499,899	$ 483,461	$ 467,564	$ 452,190	$ 437,321	$ 422,941	$ 409,034	$ 395,584	$ 382,576	$ 369,996	$ 357,830
Total:		$ 813,798	$ 787,039	$ 761,160	$ 736,131	$ 711,926	$ 688,516	$ 665,876	$ 643,981	$ 622,806	$ 602,327	$ 582,521	$ 563,366	$ 544,842	$ 526,926	$ 509,600	$ 492,843	$ 476,638	$ 460,965	$ 445,807	$ 431,148
PV Operating:																					
City Share:		$ 169,634	$ 147,029	$ 145,387	$ 143,836	$ 142,885	$ 141,415	$ 139,974	$ 138,543	$ 137,122	$ 135,709	$ 146,222	$ 144,715	$ 143,215	$ 141,717	$ 140,233	$ 138,762	$ 137,554	$ 136,357	$ 135,170	$ 133,993
State Share:		$ 567,546	$ 491,917	$ 486,422	$ 481,235	$ 478,053	$ 473,135	$ 468,313	$ 463,524	$ 458,770	$ 454,042	$ 489,218	$ 484,175	$ 479,155	$ 474,144	$ 469,179	$ 464,257	$ 460,216	$ 456,211	$ 452,239	$ 448,303
Total:		$ 737,180	$ 638,946	$ 631,808	$ 625,071	$ 620,938	$ 614,550	$ 608,288	$ 602,067	$ 595,892	$ 589,750	$ 635,441	$ 628,890	$ 622,369	$ 615,861	$ 609,413	$ 603,018	$ 597,770	$ 592,568	$ 587,409	$ 582,297
PV TOTAL Capital and O&M:																					
City Share:		$ 308,023	$ 280,868	$ 274,824	$ 269,018	$ 263,951	$ 258,500	$ 253,209	$ 248,054	$ 243,032	$ 238,136	$ 245,282	$ 240,518	$ 235,867	$ 231,323	$ 226,892	$ 222,571	$ 218,608	$ 214,746	$ 210,981	$ 207,312
State Share:		$ 1,242,955	$ 1,145,118	$ 1,118,143	$ 1,092,184	$ 1,068,913	$ 1,044,567	$ 1,020,955	$ 997,994	$ 975,666	$ 953,940	$ 972,679	$ 951,739	$ 931,344	$ 911,465	$ 892,120	$ 873,290	$ 855,800	$ 838,787	$ 822,236	$ 806,133
Total:		$ 1,550,978	$ 1,425,985	$ 1,392,968	$ 1,361,202	$ 1,332,864	$ 1,303,067	$ 1,274,164	$ 1,246,048	$ 1,218,698	$ 1,192,077	$ 1,217,961	$ 1,192,257	$ 1,167,211	$ 1,142,787	$ 1,119,012	$ 1,095,862	$ 1,074,408	$ 1,053,532	$ 1,033,216	$ 1,013,445
20-Year NPV (2011$):																					
City:		$ 4,891,715																			
State:		$ 19,516,029																			
Total:		$ 24,407,744																			
City Cost per MMBTU		$ 26.87	$ 29.31																		
State Cost per MMBTU		$ 31.74																			
State Capital Needed		$9,761,011																			
Value of City Capacity		$2,174,966																			

Seasonal Heating Degree Days:	7,313 HDDUs	
Outside Design Temperature:	-20 F	
City Annual Load (Design):	12,300 MMBTUs	
City Annual Load (Exisiting):	11,177 MMBTUs	
State Annual Load (Exisitng):	37,935 MMBTUs	
Reserve Capactiy	8,710 MMBTUs	
TOTAL	50,235	
City's Capacity Need:	5.96 MMBTU/H	Based on Design Load
-- Or:	178 BHP	
State Capacity:	722 BHP	BHP boilers - City Design Capacity)

Percent of Capacity Allocated to City:	20 %	Used for Allocating Capaci
Percent of Capacity Allocated to State:	80 %	(Capital Costs)
Percent of Capacity Allocated to Private:	20 after 2014	
Percent of Annual Load Represented by City:	23 %	Used for Allocating O&M Cost:
Percent of Annual Load Represented by State:	77 %	

Capital Cost Items:	TOTAL	State	City
Cost of plant, two new 450 BHP dual fuel biomass/oil boilers, and moving the newest current oil boiler into the basement in 2012$	$10,871,831	$8,697,465	$2,174,366
Project Management/Construction Oversight at 6% of above costs	$652,000	$521,600	$130,400
20-year Land Lease	$747,180	$597,744	$149,436
Startup/Staff Training/Initial Fuel Inventory	$200,000	$160,000	$40,000
Working Capital	$225,000	$180,000	$45,000
Permitting/Permit Support Survey/Consulting	$150,000	$120,000	$30,000
Due Diligence/Legal/Insurance	$225,000	$180,000	$45,000
Construction Fuel Differential	$190,000	$152,000	$38,000
State Hot Water Conversion Distribution System	$6,500,000		$6,500,000
Annual Total Cost in 2012$	$19,761,011	$10,608,809	$9,152,202
DOE Grant Allocation		$847,798	$7,152,202
Additional Grant Required			
TOTAL to be financed		$9,761,011	$2,000,000
Financing Assumptions			
Years:	20		
Rate:	3.5%		
Annual Bond Payment:	$1,390,406.01	$686,795.23	$140,722.17

City Hot Water Electric Option		peak 2200 load	23 per year increase in load 39,540	25 41,740	28 43,940	31 46,140	33 48,340	36 50,540	39 52,740	41 54,940	44 57,140	47 59,340	61,540	63,740	65,940	68,140	70,340	72,540	74,740	76,940	79,140
	2011	Year 1 2012	Year 2 2013	Year 3 2014	Year 4 2015	Year 5 2016	Year 6 2017	Year 7 2018	Year 8 2019	Year 9 2020	Year 10 2021	Year 11 2022	Year 12 2023	Year 13 2024	Year 14 2025	Year 15 2026	Year 16 2027	Year 17 2028	Year 18 2029	Year 19 2030	Year 20 2031
REVENUE																					
Heat Sales State		$733,708	$733,019	$732,837	$733,098	$733,745	$734,735	$736,031	$737,603	$739,425	$741,476	$743,739	$746,198	$748,840	$751,655	$754,631	$757,762	$761,041	$764,460	$768,015	$771,701
Heat Sales City		$352,787	$352,448	$352,359	$352,487	$352,805	$353,291	$353,928	$354,700	$355,595	$356,603	$357,714	$358,922	$360,220	$361,602	$363,064	$364,602	$366,211	$367,892	$369,639	$371,450
Heat Sales Private			$74,458	$148,844	$223,282	$297,770	$372,158	$446,596	$521,034	$595,472	$669,909	$744,347	$818,785	$893,223	$967,661	$1,042,099	$1,116,537	$1,190,975	$1,265,413	$1,339,851	$1,414,289
Electric		$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175	$87,175
TOTAL		$ 1,173,670	$ 1,247,079	$ 1,321,216	$ 1,396,042	$ 1,471,445	$ 1,547,359	$ 1,623,779	$ 1,700,511	$ 1,777,666	$ 1,855,163	$ 1,932,976	$ 2,011,080	$ 2,089,458	$ 2,168,093	$ 2,246,970	$ 2,326,077	$ 2,405,403	$ 2,484,940	$ 2,564,679	$ 2,644,615
EXPENSES																					
OPERATING																					
Fuel Cost		$ 335,687	$ 360,797	$ 386,584	$ 413,064	$ 440,252	$ 468,162	$ 496,811	$ 526,214	$ 556,387	$ 587,346	$ 619,110	$ 651,694	$ 685,116	$ 719,395	$ 754,547	$ 790,592	$ 827,549	$ 865,437	$ 904,275	$ 944,084
$/MMBTU		$ 8.99	$ 9.12	$ 9.26	$ 9.40	$ 9.54	$ 9.68	$ 9.83	$ 9.98	$ 10.13	$ 10.28	$ 10.43	$ 10.59	$ 10.75	$ 10.91	$ 11.07	$ 11.24	$ 11.41	$ 11.58	$ 11.75	$ 11.93
Labor Cost		$ 123,289	$ 125,755	$ 128,270	$ 130,835	$ 133,452	$ 136,121	$ 138,844	$ 141,621	$ 144,453	$ 147,342	$ 150,289	$ 153,295	$ 156,361	$ 159,488	$ 162,677	$ 165,931	$ 169,250	$ 172,635	$ 176,087	$ 179,609
SubTotal Overhead:		$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551	$ 27,551
TOTAL:		$ 150,840	$ 153,306	$ 155,821	$ 158,386	$ 161,003	$ 163,672	$ 166,394	$ 169,171	$ 172,004	$ 174,893	$ 177,840	$ 180,845	$ 183,911	$ 187,039	$ 190,228	$ 193,482	$ 196,800	$ 200,185	$ 203,638	$ 207,160
$/MMBTU		$ 4.04	$ 3.88	$ 3.73	$ 3.60	$ 3.49	$ 3.39	$ 3.29	$ 3.21	$ 3.13	$ 3.06	$ 3.00	$ 2.94	$ 2.89	$ 2.84	$ 2.79	$ 2.75	$ 2.71	$ 2.68	$ 2.65	$ 2.62
City Share O&M:		$ 75,420	$ 76,653	$ 77,910	$ 79,193	$ 80,501	$ 81,836	$ 83,197	$ 84,586	$ 86,002	$ 87,446	$ 88,920	$ 90,423	$ 91,956	$ 93,519	$ 95,114	$ 96,741	$ 98,400	$ 100,093	$ 101,819	$ 103,580
State Share O&M:		$ 75,420	$ 76,653	$ 77,910	$ 79,193	$ 80,501	$ 81,836	$ 83,197	$ 84,586	$ 86,002	$ 87,446	$ 88,920	$ 90,423	$ 91,956	$ 93,519	$ 95,114	$ 96,741	$ 98,400	$ 100,093	$ 101,819	$ 103,580
CAPITAL																					
City Share Bond Pymt:		$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945	$174,945
State Share Bond Pymt.:		$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446	$407,446
Capital Improvements:		$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$2,500,000	$250,000	$250,000								
City MMBTU		$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65	$15.65
State MMBTU		$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27	$16.27
Private MMBTU		$20.83	$20.83	$20.83	$20.83	$20.83	$20.83	$20.83	$20.83	$33.95	$20.83	$20.83	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL:		$832,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391	$582,391
GRAND TOTAL:		$ 1,318,918	$ 1,096,494	$ 1,124,796	$ 1,153,842	$ 1,183,646	$ 1,214,226	$ 1,245,597	$ 1,277,776	$ 1,310,782	$ 1,344,630	$ 1,379,341	$ 1,414,931	$ 1,451,419	$ 1,488,824	$ 1,527,167	$ 1,566,466	$ 1,606,741	$ 1,648,014	$ 1,690,305	$ 1,733,635
City Share:		$ 250,365	$ 251,598	$ 252,855	$ 254,138	$ 255,446	$ 256,781	$ 258,142	$ 259,531	$ 260,947	$ 262,391	$ 263,865	$ 265,368	$ 266,901	$ 268,464	$ 270,059	$ 271,686	$ 273,345	$ 275,038	$ 276,764	$ 278,525
State Share:		$ 482,866	$ 484,099	$ 485,357	$ 486,640	$ 487,948	$ 489,282	$ 490,644	$ 492,032	$ 493,448	$ 494,893	$ 496,366	$ 497,869	$ 499,402	$ 500,966	$ 502,561	$ 504,187	$ 505,847	$ 507,539	$ 509,265	$ 511,026
$/MMBTU:																					
City:		$ 28.68	$ 28.65	$ 28.65	$ 28.66	$ 28.66	$ 28.72	$ 28.77	$ 28.84	$ 28.91	$ 28.99	$ 29.08	$ 29.18	$ 29.29	$ 29.40	$ 29.52	$ 29.64	$ 29.77	$ 29.91	$ 30.05	$ 30.20
State:		$ 29.30	$ 29.27	$ 29.27	$ 29.28	$ 29.30	$ 29.34	$ 29.39	$ 29.46	$ 29.53	$ 29.61	$ 29.70	$ 29.80	$ 29.91	$ 30.02	$ 30.14	$ 30.26	$ 30.39	$ 30.53	$ 30.67	$ 30.82
Private		$ 33.86	$ 33.84	$ 33.83	$ 33.84	$ 33.86	$ 33.90	$ 33.96	$ 34.02	$ 47.21	$ 34.17	$ 34.26	$ 13.53	$ 13.63	$ 13.75	$ 13.87	$ 13.99	$ 14.12	$ 14.26	$ 14.40	$ 14.55
										$ 2,011,003.78	earnings to date									
ANNUAL PROFIT/LOSS		$ (145,247.55)	$ 150,585.78	$ 196,419.12	$ 242,199.77	$ 287,798.59	$ 333,133.24	$ 378,182.63	$ 422,734.69	$ (2,033,115.51)	$ 510,542.79	$ 553,625	$ 596,150	$ 638,040	$ 679,268	$ 719,803	$ 759,611	$ 798,662	$ 836,926	$ 874,375	$ 910,980
PVF	1.0000	0.9834	0.9511	0.9198	0.8896	0.8603	0.8320	0.8047	0.7782	0.7526	0.7279	0.7039	0.6808	0.6584	0.6368	0.6158	0.5956	0.5760	0.5570	0.5387	0.5210
PV Capital:																					
City Share:		$ 172,045	$ 166,387	$ 160,916	$ 155,625	$ 150,508	$ 145,559	$ 140,773	$ 136,144	$ 131,667	$ 127,337	$ 123,150	$ 119,101	$ 115,185	$ 111,397	$ 107,734	$ 104,192	$ 100,766	$ 97,452	$ 94,248	$ 91,149
State Share:		$ 400,692	$ 387,516	$ 374,774	$ 362,450	$ 350,532	$ 339,006	$ 327,859	$ 317,078	$ 306,652	$ 296,569	$ 286,817	$ 277,386	$ 268,265	$ 259,444	$ 250,913	$ 242,662	$ 234,683	$ 226,966	$ 219,503	$ 212,285
Total:		$ 572,736.17	$ 553,903.45	$ 535,689.99	$ 518,075.42	$ 501,040.06	$ 484,564.86	$ 468,631.39	$ 453,221.85	$ 438,319.00	$ 423,906.19	$ 409,967.30	$ 396,486.75	$ 383,449.47	$ 370,840.88	$ 358,646.89	$ 346,853.86	$ 335,448.60	$ 324,418.38	$ 313,750.85	$ 303,434.09
PV Operating:																					
City Share:		$ 74,170	$ 72,903	$ 71,663	$ 70,448	$ 69,257	$ 68,090	$ 66,946	$ 65,825	$ 64,727	$ 63,650	$ 62,594	$ 61,559	$ 60,544	$ 59,549	$ 58,573	$ 57,616	$ 56,677	$ 55,756	$ 54,853	$ 53,967
State Share:		$ 74,170	$ 72,903	$ 71,663	$ 70,448	$ 69,257	$ 68,090	$ 66,946	$ 65,825	$ 64,727	$ 63,650	$ 62,594	$ 61,559	$ 60,544	$ 59,549	$ 58,573	$ 57,616	$ 56,677	$ 55,756	$ 54,853	$ 53,967
Total:		$ 148,339	$ 145,807	$ 143,326	$ 140,895	$ 138,513	$ 136,179	$ 133,892	$ 131,651	$ 129,453	$ 127,300	$ 125,188	$ 123,118	$ 121,088	$ 119,098	$ 117,146	$ 115,232	$ 113,354	$ 111,512	$ 109,706	$ 107,933
PV TOTAL Capital and O&M:																					
City Share:		$ 246,214	$ 239,291	$ 232,579	$ 226,073	$ 219,764	$ 213,649	$ 207,719	$ 201,969	$ 196,394	$ 190,987	$ 185,744	$ 180,660	$ 175,729	$ 170,946	$ 166,307	$ 161,808	$ 157,441	$ 153,208	$ 149,101	$ 145,115
State Share:		$ 474,861	$ 460,419	$ 446,437	$ 432,898	$ 419,789	$ 407,096	$ 394,805	$ 382,903	$ 371,379	$ 360,218	$ 349,411	$ 338,945	$ 328,809	$ 318,993	$ 309,486	$ 300,278	$ 291,360	$ 282,722	$ 274,356	$ 266,252
Total:		$ 721,075	$ 699,710	$ 679,016	$ 658,970	$ 639,553	$ 620,744	$ 602,524	$ 584,872	$ 567,772	$ 551,206	$ 535,155	$ 519,605	$ 504,538	$ 489,939	$ 475,793	$ 462,086	$ 448,801	$ 435,931	$ 423,457	$ 411,367
20-Year NPV (2011$):																					
City:		$ 3,820,099																			
State:		$ 7,211,417																			
Total:		$ 11,032,116																			
City Cost per MMBTU		$ 28.68	$ 28.99																		
State Cost per MMBTU		$ 29.30																			
Value of State Capacity		$5,790,792																			
Total City Capital Needed		$2,486,388																			

Seasonal Heating Degree Days:	7,313	HDDUs		
Outside Design Temperature:	-20	F		
			Electric Generation	
City Annual Load (Design):	12,300	MMBTUs	2200	hours per year
City Annual Load (Exisiting):	11,177	MMBTUs	0.125	price per KWH
State Annual Load (Exisitng):	25,040	MMBTUs	317	KWH per hour
Private Annual Load	12,000	MMBTUs		
TOTAL	37,340		74%	
City's Capacity Need:	5.96	MMBTU/H	Based on Design Load	
-- Or:	178	BHP		
State Capacity:	722	BHP	boilers - City Design Capacity)	

Percent of Capacity Allocated to City:	50%	Used for Allocating Capacity (Capital Costs)
Percent of Capacity Allocated to State:	50%	
Percent of Annual Load Represented by City:	50%	Used for Allocating O&M Costs
Percent of Annual Load Represented by State:	50%	

Capital Cost Items:	TOTAL	State	City	
Cost of Hot Water System	$9,000,000	$4,500,000	$4,500,000	
Project Management/Construction Oversight at 6% of above costs	$540,000	$270,000	$270,000	
20-year Land Lease	$747,180	$373,590	$373,590	
Startup/Staff Training/Initial Fuel Inventory	$200,000	$100,000	$100,000	
Working Capital	$225,000	$112,500	$112,500	
Permitting/Permit Support Survey/Consulting	$150,000	$75,000	$75,000	
Due Diligence/Legal/Insurance	$225,000	$112,500	$112,500	
Construction Fuel Differential	$190,000	$95,000	$95,000	
Electric Generation	$1,500,000	$1,500,000		
State Hot Water Conversion	$1,000,000	$1,000,000		includes 120 State
Distribution System	$5,500,000	$1,000,000	$4,500,000	
Annual Total Cost in 2012$	$19,277,180	$9,138,590	$10,138,590	
DOE Grant Allocation		$847,798	$7,152,202	
1603 Treasury Grant		$2,500,000	$500,000	
TOTAL to be financed		$5,790,792	$2,486,388	
Financing Assumptions				
Years:	20			
Rate:	3.5%			
Annual Bond Payment:	$1,356,363.14	$407,446.36	$174,945	

Office of the City Manager
City Hall - 39 Main Street, Montpelier, VT 05602
Telephone: (802) 223-9502
Fax: (802) 223-9519
E-Mail: wfraser@montpelier-vt.org

December 23, 2010

The Times-Argus
Att: Classifieds

Please insert the following with City of Montpelier notices on Monday, December 27th, 2010 and Thursday, January 6th, 2011. Thank you!

CITY OF MONTPELIER
Conservation Commission Vacancies

The City of Montpelier is looking for applicants interested in filling two, 2-year positions which will be vacant as of January 22nd, 2011; and three, 3-year positions which become vacant as of February 13th, 2011. Letters of interest and/or resumes should be submitted to the Office of the City Manager, City Hall - 39 Main Street, Montpelier, (or by e-mailing spitonyak@montpelier-vt.org) by noon on Thursday, January 13th. The City Council will make these appointments at their ***Thursday,*** January 20th, 2011 meeting. Applicants are encouraged to attend; all meeting rooms and facilities in City Hall are handicapped accessible. Further information may also be obtained by contacting Commission Chair Kris Hammer at 223-0577.

William J. Fraser
City Manager

From: Sandy Pitonyak
Sent: Fri 12/17/2010 1:59 PM
To: Roy Schiff; bill@tamarackmedia.com; wmfinnigan@gmail.com; kris@vit.org; khammer@together.net; christopherjhilke@gmail.com; erikess@comcast.net
Cc: Audra Brown
Subject: Your terms expire in January and February

Attached is the ad I just prepared for the Times-Argus. If you would like to be reappointed, please just send me a message to that effect by e-mailing me.

Terms expire as follows:

Roy Schiff	2/13/11	3-year term
William Finnegan	2/13/11	3-year term
Kris Hammer	2/13/11	3-year term
Christopher Hilke	1/22/11	2-year term
Erik Esselstyn	1/22/11	2-year term

Obviously, no one else will start serving until the February dates are up, but I thought this would be easier to take care of them all in one advertisement and one Council Meeting.

Thank you!

Sandy Pitonyak

From: Christopher Hilke [hilkec@nwf.org]
Sent: Friday, December 17, 2010 2:03 PM
To: Sandy Pitonyak
Subject: Re: Your terms expire in January and February

Hi Sandy,
I would very much like to be elected to another term. I have enjoyed my service thus far and I look forward to committing more time and energy to the committee.
Cheers,
Chris

✔ **Christopher J. Hilke**
Program Coordinator
Climate Change Program
National Wildlife Federation
149 State Street - Suite 1
Montpelier, VT 05602
802.552.4322

From: Roy Schiff [roys@miloneandmacbroom.com]
Sent: Friday, December 17, 2010 2:46 PM
To: Sandy Pitonyak; bill@tamarackmedia.com; wmfinnigan@gmail.com; kris@vit.org; khammer@together.net; christopherjhilke@gmail.com; erikess@comcast.net
Cc: Audra Brown
Subject: RE: Your terms expire in January and February

i would like to keep serving.

roy

✔ **Roy Schiff, PhD, PE**
Water Resource Scientist and Engineer
Milone & MacBroom, Inc.
1233 Shelburne Road, Suite 150 / South Burlington, Vermont 05403
802.864.1600 / 802.864.1601 (Fax)
www.miloneandmacbroom.com
Please consider the environment before printing this e-mail.

From: wmfinnegan@gmail.com on behalf of Bill Finnegan [bill@tamarackmedia.com]
Sent: Friday, December 17, 2010 7:47 PM
To: Sandy Pitonyak
Subject: Re: Your terms expire in January and February

Hi Sandy,

I would like to be reappointed.

Thanks,
✔ Bill Finnegan

Sandy Pitonyak

From: Erik Esselstyn [erikess@comcast.net]
Sent: Thursday, January 13, 2011 6:13 PM
To: Sandy Pitonyak
Subject: Re: Conservation Commission

Hi Sandy,

✓ Accept my apologies for the delay. YES. I would like to be appointed to the Montpelier Conservation for another term.

Many thanks.

Warm best, ERIK

Sandy Pitonyak

From: Kris Hammer [Kris@vlt.org]
Sent: Friday, January 14, 2011 8:04 AM
To: Sandy Pitonyak
Subject: RE: Conservation Commission

✓ Put me on for being reappointed

Kris Hammer
Regional Stewardship Manager
Vermont Land Trust-Central Vermont
8 Bailey Ave.
Montpelier, VT 05602
802-262-1222, cell 802-371-8612
Fax: 802-223-4223
email: kris @vlt.org

City of Montpelier, Vermont

"The Smallest Capital City in the United States"

DATE: January 14, 2011

TO: Mayor and City Council
William Fraser, City Manager

FROM: Sandra J. Gallup, Finance Director
Fred Skeels, Information & Communications Systems Manager

SUBJECT: Recommendation to Lease Three Digital Imaging Systems

Due to incentives that are currently being offered by digital imaging systems providers, we have the opportunity to have updated digital imaging equipment with added functions and save money when compared to our current costs.

The Finance Department staff has investigated options to provide improved printing, copying, scanning and faxing functions to the Finance, Planning and Clerk/Treasurer's offices. The two copiers in the Planning and Clerk/Treasurer's offices have an IKON lease that expires in May of 2011. The Planning Department is experiencing difficulties with the operations of its current copier. Also, the Finance Office's color printer is 6 years old and has high maintenance costs and down time. It needs to be replaced but there are no funds available in the FY11 to purchase a new color printer.

Our plan is to replace two copiers, two printers and two fax machines with three new digital imaging systems. We sent out a request for proposals for a five year lease program and received four responses. See below

	OCE' North America RICOH	IKON Office Solutions CANON	Exterus Technology XEROX	Inception Technologies SHARP	CURRENT COST
Monthly Cost	$1,150.00	$1,174.60	$1,579.45	$1,295.50	$1,544.00

All of the vendors submitted a blend of references which we called to verify customer satisfaction with equipment and service. They all offered to buy-out our current lease which ends in May. They all will reformat or replace the hard drive of the "old" copiers which is important for document security.

We recommend accepting OCE's low bid of $1,150 per month which replaces our aging equipment and saves $394 per month over our current costs. These costs are included in our FY11 Budget & FY12 Proposed Budget.

If we do not take advantage of the current incentive programs, our aging copiers and printers will negatively affect productivity in three city departments and the City will not benefit from lower monthly costs.

RECOMMENDATION

We recommend accepting OCE's proposal for a five-year lease for three digital servicing systems at the monthly cost of $1,150.00. This proposal includes consolidating and improving the printing, copying, scanning and faxing functions in the Finance, Planning and Clerk/Treasurer's offices.