

Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

Public Hearing
Thursday, December 15, 2011
Colchester Town Hall

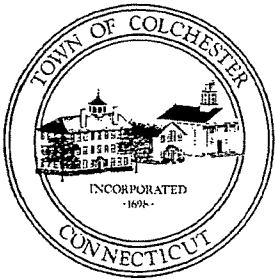
Meeting Room 1 – 7:00pm

1. Call to Order
2. Discussion on Acceptance of Carvalho Drive as a Town Road
3. Adjourn

NANCY A. BRAY
TOWN CLERK

2011 DEC -6 AM 9:03

RECEIVED
COLCHESTER, CT



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

**Board of Selectmen Regular Meeting Agenda
Thursday, December 15, 2011
Colchester Town Hall**

Meeting Room 1 – 7:00pm

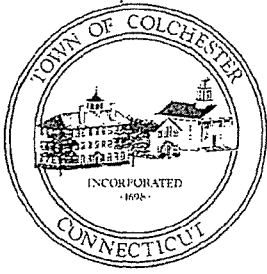
NANCY A. BRAY
TOWN CLERK

Nancy A. Bray

RECEIVED
COLCHESTER, CT
2011 DEC 13 AM 11:45

1. Call to Order
2. Additions to the Agenda
3. Approve Minutes of the December 1, 2011 Regular Board of Selectmen Meeting
4. Citizen's Comments
5. Boards and Commissions – Interviews and/or Possible Appointments and Resignations
 - a. Commission on Aging. Alternate re-appointment for a three-year term to expire 12/31/14. Robert Gustafson to be interviewed.
 - b. Commission on Aging. Possible member appointment of Herb Davis to fill a vacancy left by Suzanne Maikshilo to expire 12/31/2011 and continue on as a member for a new three-year term to expire 12/31/2014.
 - c. Planning & Zoning Commission. Alternate re-appointment for a three-year term to expire 12/31/2014. James Miller to be interviewed.
 - d. Planning & Zoning Commission. Discussion and Possible Appointment of Jason Tinelle as an alternate for a three-year term to expire 12/31/2014. Jason Tinelle was interviewed on 12/01/2011.
 - e. TVCCA Board of Directors. Representative appointment for a term to expire 11/18/13. Eleanor M. Phillips to be interviewed.
 - f. Building Committee. Chuck Guarino to be interviewed.
 - g. Discussion and Selection of Liaison to Building Committee
6. Budget Transfers
7. Tax Refunds & Rebates
8. Discussion and Possible Action on Acceptance of Carvalho Drive as a Town Road
9. Discussion and Possible Action on Bond Release for Westchester Road Subdivision
10. Discussion and Possible Action on Bond Release for Whispering Winds Subdivision
11. Discussion and Possible Action on Bond Reduction for White Oak Farm Subdivision
12. Discussion and Possible Action on Energy Performance Contract

13. Citizen's Comments
14. First Selectman's Report
15. Liaison Report
16. Adjourn



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

Board of Selectmen Regular Meeting Minutes Thursday, December 1, 2011 Colchester Town Hall

Meeting Room 1 – 7:00pm

MEMBERS PRESENT: First Selectman Gregg Schuster, Selectman James Ford, Selectman Stan Soby, Selectman Greg Cordova, and Selectman Rosemary Coyle

MEMBERS ABSENT:

OTHERS PRESENT: Derrik Kennedy, James Paggioli, Patti White, Adam Turner, Dot Mrowka, John Malsbenden, Bailey Seddon, Ryan Blessing, and other citizens.

1. **Call to Order**
First Selectman G. Schuster called the meeting to order at 7:00 p.m.
2. **Additions to the Agenda**
R. Coyle moved to amend agenda item 6b to read, "Commission on Aging. Member appointment for a three-year term to expire 12/31/2014. Robert Gustafson to be interviewed," and to add to the agenda item 6c, "Commission on Aging. Possible member appointment of Herb Davis to fill a vacancy left by Suzanne Maikshilo to expire 12/31/2011 and continue on as a member for a new three-year term to expire 12/31/2014," and renumber accordingly; seconded by S. Soby. Unanimously approved. MOTION CARRIED.
3. **Approve Minutes of the November 17, 2011 Regular Board of Selectmen Meeting**
R. Coyle moved to approve the minutes of the November 17, 2011 Regular Board of Selectmen meeting with the addition of a letter to the Board of Selectmen from Commission on Aging Chairman Rose Levine with regards to the Building Committee, seconded by J. Ford. S. Soby abstained. Unanimously approved. MOTION CARRIED.
4. **Approve Minutes of the November 17, 2011 Tri-Board Meeting**
R. Coyle moved to approve the minutes of the November 17, 2011 Tri-Board meeting, seconded by G. Cordova. S. Soby abstained. Unanimously approved. MOTION CARRIED.
5. **Citizen's Comments**
J. Malsbenden commented favorably on behalf of Mark Noniewicz for the Planning & Zoning Commission and Norman Dupuis for the Building Committee. G. Liverant and D. Mrowka commented favorably on behalf of Norman Dupuis for the Building Committee.
6. **Boards and Commissions – Interviews and/or Possible Appointments and Resignations**
 - a. **Commission on Aging. Member re-appointment for a three-year term to expire 12/31/2014. Marilyn Finnegan to be interviewed.**
R. Coyle moved to approve Marilyn Finnegan as a member of the Commission on Aging for a three-year term to expire 12/31/2014, seconded by J. Ford. Unanimously approved. MOTION CARRIED.

NANCY A. BRAY
TOWN CLERK

Nancy A. Bray

2011 DEC -2 AM 10:40

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COLCHESTER, CT

- b. **Commission on Aging. Member appointment for a three-year term to expire 12/31/2014. Robert Gustafson to be interviewed.**
No action taken.
- c. **Commission on Aging. Possible member appointment of Herb Davis to fill a vacancy left by Suzanne Maikshilo to expire 12/31/2011 and continue on as a member for a new three-year term to expire 12/31/2014.**
No action taken.
- d. **Historic District Commission. Alternate re-appointment for a three-year term to expire on 11/30/2014. Linda Akerman to be interviewed.**
J. Ford moved to re-appoint Linda Akerman as an alternate to the Historic District Commission for a three-year term to expire on 11/30/2014, seconded by R. Coyle. Unanimously approved. MOTION CARRIED.
- e. **Parks and Recreation Commission. Alternate re-appointment for a four-year term to expire on 11/30/2015. Clint Williams to be interviewed.**
No action taken.
- f. **Planning & Zoning Commission. Member re-appointment for a three-year term to expire 12/31/2014. Mark Noniewicz to be interviewed.**
S. Soby moved to re-appoint Mark Noniewicz as a member to the Planning & Zoning Commission for a three-year term to expire 12/31/2014, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.
- g. **Planning & Zoning Commission. Alternate re-appointment for a three-year term to expire 12/31/2014. James Miller to be interviewed.**
No action taken.
- h. **Planning & Zoning Commission. Member appointment to fill a vacancy left by Thomas Kane to expire 12/31/2012. John Novak to be interviewed.**
S. Soby moved to appoint John Novak as a member to the Planning & Zoning Commission to fill a vacancy left by Thomas Kane to expire 12/31/2012, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.
- i. **Planning & Zoning Commission. Jason Tinelle to be interviewed.**
Jason Tinelle was interviewed.
- j. **Building Committee. Discussion and Possible Appointment of Members or Provisional Alternates.**
 - i. **John Avery, Sharon Boski, Justin Bunton, Nancy Cordova, John Carroll, Robert Dennehy, Norman J. Dupuis, Steven Kardys, Robert Sosnoski, William Sullivan**

G. Cordova recused himself from discussion on Building Committee

R. Coyle moved to appoint Norman Dupuis as a member of the Building Committee, seconded by J. Ford. R. Coyle read a letter from T. Hendrickson in favor of Mr. Dupuis. J. Ford and R. Coyle commented favorably on behalf of Mr. Dupuis with regards to background and experience. S. Soby commented on comments made by Mr. Dupuis during his interview by the Board of Selectmen as a concern for appointment. G. Schuster commented on inclusiveness of all officials and boards in Building Committee process. R. Coyle and J. Ford voted for. S. Soby and G. Schuster voted against. MOTION FAILED, 2-2.

- k. **Discussion and Selection of Liaison to Building Committee**

R. Coyle commented on desire for two Board of Selectmen liaisons to Building Committee. No action taken.

I. **Discussion and Selection of Liaison to Agriculture Commission**

S. Soby expressed interest as the Board of Selectmen liaison to the Agriculture Commission. J. Ford moved to appoint S. Soby as a liaison to the Agriculture Commission, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

7. **Budget Transfers**

R. Coyle moved to approve the budget transfer of \$70 from "Senior Center – Contractual, Temp, Occasional Payroll (15401-40105)" to "Senior Center – Telephone (15401-45216)," seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

8. **Tax Refunds & Rebates**

G. Cordova moved to approve the tax refunds in the amount of \$291.33 to Frederick Deane, \$308.39 to Luke Lesnewski, \$46.01 to George R. Napier, \$27.10 to Nissan Infiniti, \$70.29 to Marian or Ewa Panek, \$0.52 to Bailin and Pamela Shaw, \$22.49 to Bailin and Pamela Shaw, \$34.38 to Bailin and Pamela Shaw, and \$75.22 to Allen Trowbridge; seconded by S. Soby. Unanimously approved. MOTION CARRIED.

9. **Discussion and Possible Action on Community Publications Contract**

No action taken.

10. **Discussion and Possible Action on Regional Performance Incentive Grant**

S. Soby moved to approve the attached resolution of endorsement for approval by SCCOG for regional performance incentive grant which includes: preparation of a comprehensive plan and a model for shared services equipment and staff by all 20 SCCOG municipalities, creation of a digital index of town clerk maps in all 20 SCCOG Municipalities, and SCCOG municipalities joining the Capitol Region Council of Governments on-line permitting system, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

11. **Discussion and Possible Action on Agriculture Grant**

Town Planner Adam Turner discussed the Agriculture Grant with the Board. J. Ford moved to approve the application for a project funded by the Department of Agriculture's Viability Grant and authorize the First Selectman to sign all necessary documents, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

12. **Discussion and Possible Action Town Roads Snow Removal Contracts**

G. Cordova moved to authorize the First Selectman to enter into a contract, and sign all necessary documents, in accordance with the Request for Proposals Town Streets and Roads Snow and Ice Control Services dated 16 August 2011, with B&B Superior Contracting, Inc. for two routes for a time period of three years, and Clark's Landscaping for two routes for a time period of three years; seconded by R. Coyle. Discussion on bidding process, insurance requirements, and routes covered by contractors and town employees. Unanimously approved. MOTION CARRIED.

13. **Citizen's Comments**

J. Malsbenden and D. Mrowka commented on the Board of Selectmen's decision with regards to Norman Dupuis and encouraged them to reconsider at a future date.

14. **First Selectman's Report**

First Selectman G. Schuster reported that the Agriculture Commission had their first official meeting where they nominated Liz Gilman as their chairman, they discussed by-laws, and future endeavors; Hebron had a town meeting whereby the Town approved the land swap and the two towns are now in discussion over possibly sharing transfer stations for residents; the performance contract with Honeywell is almost complete and will be brought to the Board for discussion at the next meeting; there have been an

abundance of Eagle Scout ceremonies lately and it is a testament to the community with many of the recipients doing projects that directly benefit the Town; and the re-apportionment map for the State House districts has been revealed and Colchester's house district has been altered dramatically.

15. Liaison Report

S. Soby reported that Planning & Zoning approved a couple accessory apartment applications and the commission along with staff are continuing to work on drafting revised zoning regulations.

16. Executive Session to Discuss Pending Litigation

S. Soby moved to enter into executive session to discuss pending litigation, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

Entered into executive session at 7:59 p.m.
Exited from executive session at 8:18 p.m.

17. Executive Session to Discuss Sewer & Water Benefit Assessment Legal Settlement

S. Soby moved to enter into executive session to discuss sewer and water benefit assessment legal settlement, seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

Entered into executive session at 8:19 p.m.
Exited from executive session at 8:34 p.m.

18. Discussion and Possible Action on Legal Settlement

S. Soby moved to approve the legal settlement between Colchester and CDS Associates as presented by Public Works Director James Paggioli, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

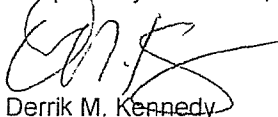
19. Adjourn

G. Cordova moved to adjourn at 8:35 p.m., seconded by S. Soby. Unanimously approved. MOTION CARRIED.

Attachment:

- Letter from T. Hendrickson regarding Building Committee appointment
- Resolution of Endorsement and Certification for Regional Performance Incentive Program

Respectfully submitted,



Derrick M. Kennedy
Executive Assistant to the First Selectman

To the First Selectman and members of the Board of Selectman:

I am writing on behalf of the Senior Study Group that was chartered by you all in 2009. We were charged with 3 objectives to review and make recommendations to your Board. Nine Colchester residents spent almost a full year researching and understanding the needs of a senior center.

We completed our due diligence and presented our recommendations to you all earlier this year. Those recommendations included the path the town is taking using the current William J. Johnston School for a combined Community/Senior Center but it also included another recommendation to have someone from our committee sit on the building committee. Our committee felt that we had learned a great deal through the process about design layout, financing options and what our senior citizen population of Colchester wants and needs in their new facility that any of us could be a resource and asset to the building committee.

I am sorry that my professional and personal schedule did not allow me to sit on this committee but I strongly endorse that my designee is appointed as my replacement.

Sincerely,
Theresa Hendricksen

Resolution of Endorsement and Certification

(To be completed by the City or Town Clerk)

The Legislative Body* of the Town/City of Colchester

met on 12/1/11 and adopted a resolution by the vote of

5 to 0 which endorsed the Regional Performance Incentive Program proposal referenced in Section 5 of Public Act 11-61 (An Act Concerning Responsible Growth). These proposals, submitted by the Southeastern Connecticut Council of Governments (SCCOG) include:

- Preparation of a comprehensive plan and a model for shared services, equipment, and staff by all 20 SCCOG municipalities
- Creation of a digital index of town clerk maps in all 20 SCCOG municipalities
- SCCOG municipalities joining the Capitol Region Council of Governments on-line permitting system

Such proposals are attached to and made a part of this record.

It is hereby certified that there are no legal obstacles to providing the proposed services regionally, including, but not limited to, binding arbitration.

Attested to by:

Name: Mandy A. Bray

Title: Town Clerk
(City/Town Clerk)

Date: 12-2-2011

*NOTE: For the purposes of the Regional Performance Incentive Program, "legislative body" means the board of selectmen, town council, city council, board of alderman, board of directors, board of representatives or board of the mayor and burgesses of a municipality.

SCCOG Applications for Regional Performance Incentive Program Funding
As Recommended by SCCOG Executive Committee on 9 November 2011

- Prepare a comprehensive plan and a model for shared services, equipment, and staff by all 20 SCCOG municipalities. The study would identify costs and savings for each service analyzed, and would outline steps necessary, including any required local or state legislative action, to implement. One of the outgrowths of this analysis could be future applications for RPI funding.
Grant Application Amount: \$330,000
- Create an index of all town clerk maps and the parcel data associated; establish an online open source database that can be used for searching information, data entry and is functional with the region's online GIS (AppGeo product and others); and create a printed index listing associated maps.
Grant Application Amount: TBD
- Have SCCOG municipalities join Capitol Region Council of Governments on-line permitting system. SCCOG staff has discussed with CRCOG staff the possibility of a volume discount if ten or more SCCOG towns were to join (Waterford already is a member). OPM staff has indicated that they would consider as a fundable grant application the use of RPI funds to pay for the SCCOG towns' start-up costs, which I would define as the actual cost for each town to purchase a software license, implementation, training, and say 3-5 years of support. The licenses at CRCOG now cost from \$28,000 - \$50,000 depending upon a municipality's population, implementation and training about \$5,000 per town, then another \$6,000-\$12,000 per year for support and hosting. These figures are all before CRCOG and their vendor provide a volume discount.
Grant Application Amount: \$800,000 before discount. Assumes ten towns join and that we are funded for three years of support and hosting.

Town of Colchester
General Fund
Budget Transfer/Additional Appropriation

Department: Planning & Code Administration

Reason for Request: Mandated training for licensing. State reduced availability of free programs.

Reason for Available Funds: Number of legal ads for applications is lower based on the economy and newspaper used.

From:	Account Number	Account Name	Amount
	11411-44230	Legal Notices	1,000

To:	Account Number	Account Name	Amount
	114111-43213	Mileage, Training and Meetings	1,000

Dec 12, 2011
Date Requested

Ad Tom
Department Director or Supervisor

12/12/11
Date Reviewed

[Signature]
Chief Financial Officer

12/12/11
Date Approved

[Signature]
First Selectman

Date Approved

Board of Selectmen Clerk

Date Approved

Board of Finance Clerk

Town of Colchester
General Fund
Budget Transfer/Additional Appropriation

Department:

Reason for Request:

Reason for Available Funds:

From:	Account Number	Account Name	Amount
	<input type="text" value="13201"/>	<input type="text" value="42340"/>	<input type="text" value="8,882"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>

To:	Account Number	Account Name	Amount
	<input type="text" value="13201"/>	<input type="text" value="44208"/>	<input type="text" value="8,882"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>

Date Requested Department Director or Supervisor - Signature

Print Name

Date Reviewed Chief Financial Officer

Date Approved First Selectman

Date Approved Board of Selectmen Clerk

Date Approved Board of Finance Clerk

B&B Superior Contractors, Inc.
72 Miller Road
Colchester, CT 06415
(860) 537-4093 or (860) 537-0310
(860) 537-2051 (fax)

Inv. # 2651

December 1, 2011

Town of Colchester
Dept. of Public Works
127 Norwich Avenue
Colchester, CT 06415

Re: Road and Pipe Work on Cabin Road and Old Hartford Road

11/02/11	(Cut Asphalt Cabin Road and Old Hartford Road)	
	6.0 Hours Manual Labor @ \$70/Hour	\$ 420.00
	Cut-Off Saw and Blades	\$ 170.00
11/07/11	(Cabin Road - Rebuild Catch Basin & Fix Concrete Pipe)	
	10.0 Hours Kubota Excavator/Operator @ \$125/Hour	\$1,250.00
	10.0 Hours 6-Wheel Dump Truck/Driver @ \$85/Hour	\$ 850.00
	10.0 Hours Manual Labor @ \$70/Hour	\$ 700.00
	Mason Sand	\$ 25.00
	6 Yards 3/4" Processed Gravel @ \$19.50/Yard	\$ 117.00
11/15/11	(Get Pipe from Landfill & Bring to Job Site)	
	Truck/Trailer/Driver	\$ 100.00
11/16/11	(Take Apart Guard Rails/Old Hartford Road)	
	2.0 Hours Manual Labor @ \$70/Hour	\$ 140.00
11/17/11	(Remove and Install Pipe/Old Hartford Road)	
	9.0 Hours Kubota Excavator/Operator @ \$125/Hour	\$1,125.00
	9.0 Hours 6-Wheel Dump Truck/Driver @ \$85/Hour	\$ 765.00
	9.0 Hours Manual Labor @ \$70/Hour	\$ 630.00
	Use of Jack Hammer	\$ 350.00
11/18/11	(Finish Job/Old Hartford Road)	
	8.0 Hours Kubota Excavator/Operator @ \$125/Hour	\$1,000.00
	8.0 Hours 6-Wheel Dump Truck/Driver @ \$85/Hour	\$ 680.00
	8.0 Hours Manual Labor @ \$70/Hour	<u>\$ 560.00</u>
	TOTAL DUE	<u>\$8,882.00</u>

Thank You!
Rich Baldi



Department of Fire and Emergency Medical Services

To: Gregg Schuster
1st Selectman

December 6, 2011

Maggie Cosgrove
CFO

Subject: Replacement of Automatic Blood Pressure Monitoring Devices

Over the last several months we have been experiencing critical failures in our automatic blood pressure monitoring devices which are kept in both ambulances.

These devices monitor vital signs of patients which are under our care during emergency medical transport.

The report of problems include the following:

- Air Leaks
- Calibration Issues
- Inaccurate Readings

This is not acceptable when trying to maintain accurate patient information.

Both of our current automatic blood pressures monitoring devices are ten years old. These devices were the first purchase of this type of automatic monitoring devices. When purchased we had no pre-determined life span but it appears that we have reached that point in time for usefulness.

I am requesting the transfer of money to purchase the newer model because at this particular time due to the fact that there is potential emergency risk in not replaced in a timely manner.

Thank you in advance for your consideration in this request.

Respectfully,

Walt Cox
Fire/EMS Chief

Town of Colchester
General Fund
Budget Transfer/Additional Appropriation

Department: Fire

Reason for Request:

To cover cost of needed equipment replacement for EMS division. Current equipment has been tested and found to be operating at 45% accuracy (blood pressure). This function is currently handled manually due to lack of accuracy with equipment. Fire Dept found a vendor to supply the monitor at a reduced rate.

Reason for Available Funds:

We have reviewed all accounts with balances, and identified the service contracts account where we received the services at a lower price than originally quoted. We recently found a local vendor to provide a budgeted service for an approximate \$3000 savings. We would like to use that savings to purchase the pulse monitor mentioned above.

From:	Account Number	Account Name	Amount
	12202-44223	Service Contracts	3,630

To:	Account Number	Account Name	Amount
	12202 42345	Emergency Medical Supplies	3,630

Nov 22, 2011
Date Requested

Walter Cox

Department Director or Supervisor - Signature

Print Name Walter Cox

Date Reviewed Chief Financial Officer

Date Approved First Selectman

Date Approved Board of Selectmen Clerk

Date Approved Board of Finance Clerk



A division of Medical Manufacturers Marketing, LLC
1-800-999-7996 www.onepointmedical.com

QUOTATION

Prepared for: Jean Walsh
Colchester Fire Dept.
Colchester, CT

Date: November 11, 2011

QTY	DESCRIPTION	PRICE	EXT
2	Criticare Systems 506DNP3 VitalCare Monitor Includes: SpO2 Finger Sensor, 3 BP Cuffs	\$1,795.00	\$3,590.00
	Shipping (Estimated)		<u>\$ 40.00</u>
	TOTAL		\$3,630.00

Shipping: Via FedEx Ground
Terms: Visa or MasterCard at time of order, or Net 30
Warranty: Monitor – 24 months; Accessories – 12 months
Delivery: 3-5 Days ARO

Ordering:

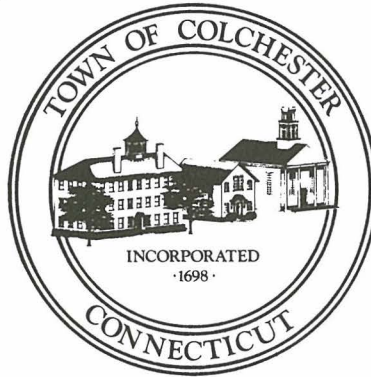
Phone – 1-800-999-7996

Fax – 740-928-6370


R # 1348

December 8, 2011

Code Administration
Building Official
Fire Marshal
Wetlands Enforcement



Planning and Zoning
Planning Director
Zoning Enforcement
Town Engineer

To: Colchester Board of Selectmen
Copy: MaryAnn Chinatti – Town of Salem Planner/ZEO/WEO
From: Salvatore A. Tassone P.E. – Town Engineer 
Re: Buckley Estates Subdivision, Carvalho Drive, Salem and Colchester CT.
Owner/Developer – Carvalho Brothers Realty

The owner of the referenced subdivision has requested the acceptance of Carvalho Drive as a Town Road.

As shown on the attached sketches, Carvalho Drive intersects with Buckley Road in the Town of Salem. The first 540 feet of Carvalho Drive are in Salem and the remaining 720 feet are in the Town of Colchester.

As of December 7, 2011 all of the required Public improvements associated with the subdivision road have been completed and are in good condition. The necessary legal documents and road as-built have been submitted and the required Road Maintenance bond is in place. It is therefore recommended that the town of Colchester accept its portion of Carvalho Drive as a town road.

Please note:

It is advantageous for the Town to accept this road prior to the end of year 2011 so it may be reported on the upcoming State TAR (Town aid for roads) yearly map update. If this road is accepted prior to the end of 2011, the Town will be eligible to receive potential TAR funding to help maintain it.

RECOMMENDED MOTION:

Motion that the Town of Colchester accept the portion of Carvalho Drive which starts at the Salem Town line and extends approximately 720 feet northerly into Colchester as a Town Road as recommended by the Town Engineer.



LEBANON

SCOTT HILL ROAD

RESERVOIR ROAD

SCOTT HILL ROAD

SCOTT HILL ROAD

COURTNEY DRIVE

BUCKLEY ROAD

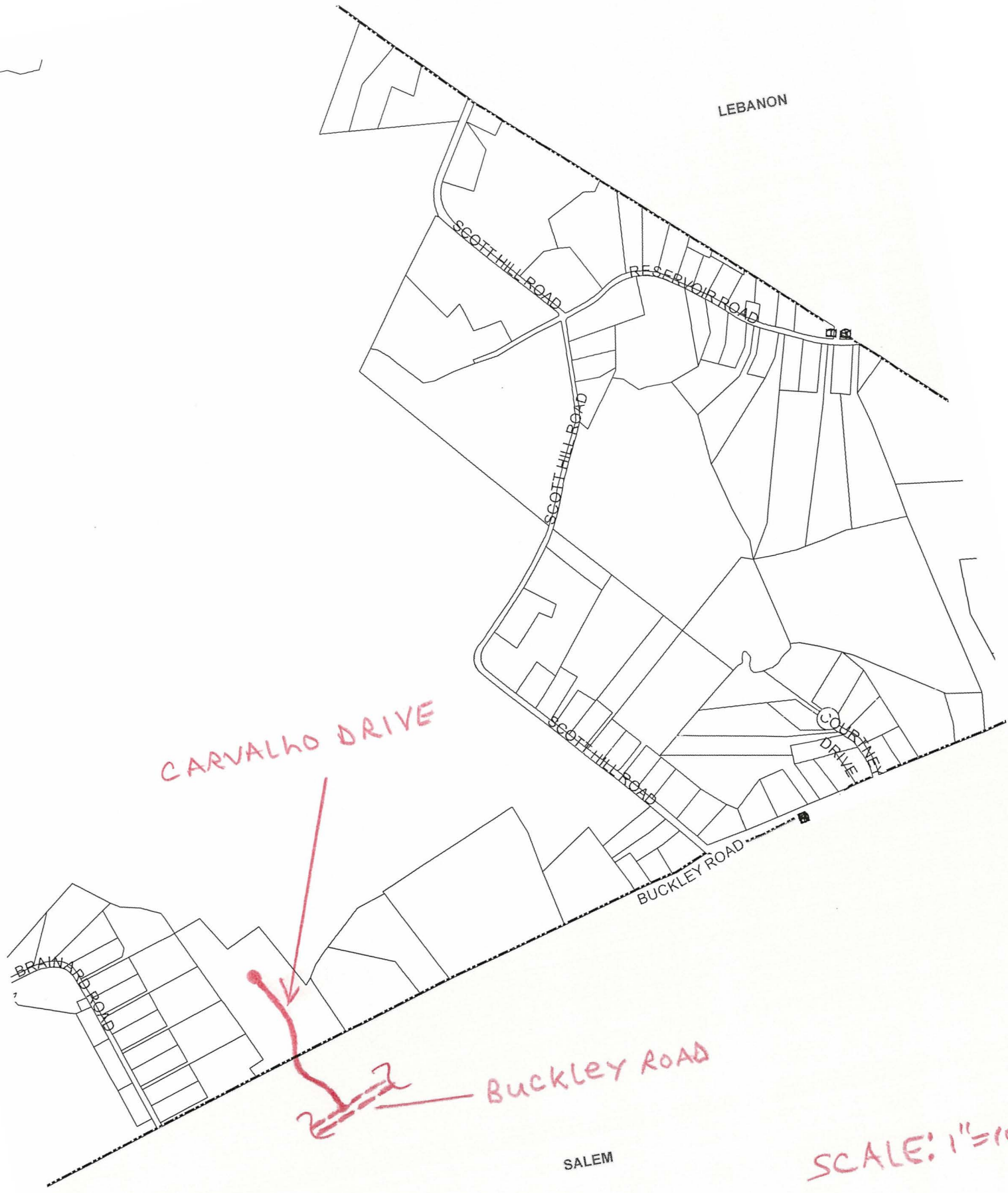
CARVALHO DRIVE

BRAIN RD ROAD

BUCKLEY ROAD

SALEM

SCALE: 1"=10'



AREAS.

N/F ARTHUR A. & CANDICE FOSTER
(Ho. # 32 BUCKLEY ROAD, SALEM)

N/F LAWRENCE L. & JENNIFER WIPPRECHT
(Ho. # 145 BRAINARD ROAD, COLCHESTER)

N/F CYNTHIA L. & MARK S. NONIEWICZ
(Ho. # 135 BRAINARD ROAD, COLCHESTER)

N/F DANIEL L. & CATHERINE COLAVECCHI
(Ho. # 125 BRAINARD ROAD, COLCHESTER)

N/F ROBERT W. SKINNER JR.
(Ho. # 40 BUCKLEY ROAD, SALEM)

ASSESSOR MAP No. 4-1A
HOUSE No. 42
AREA = 109,711 SQ. FT.
2.52 ACRES

AREA = 80,777 SQ. FT.
1.85 ACRES

AREA = 80,343 SQ. FT.
1.844 ACRES

AREA = 80,901 SQ. FT.
1.857 ACRES

AREA = 82,340 SQ. FT.
1.890 ACRES
ASSESSOR MAP No. 4-1
HOUSE No. 50

AREA = 85,614 SQ. FT.
1.965 ACRES

AREA = 80,112 SQ. FT.
1.839 ACRES

AREA = 80,048 SQ. FT.
1.838 ACRES

LOT No. 1
DRAINAGE EASEMENT IN FAVOR OF THE TOWN OF SALEM (AREA HATCHED) AREA = 0.96 ACRES

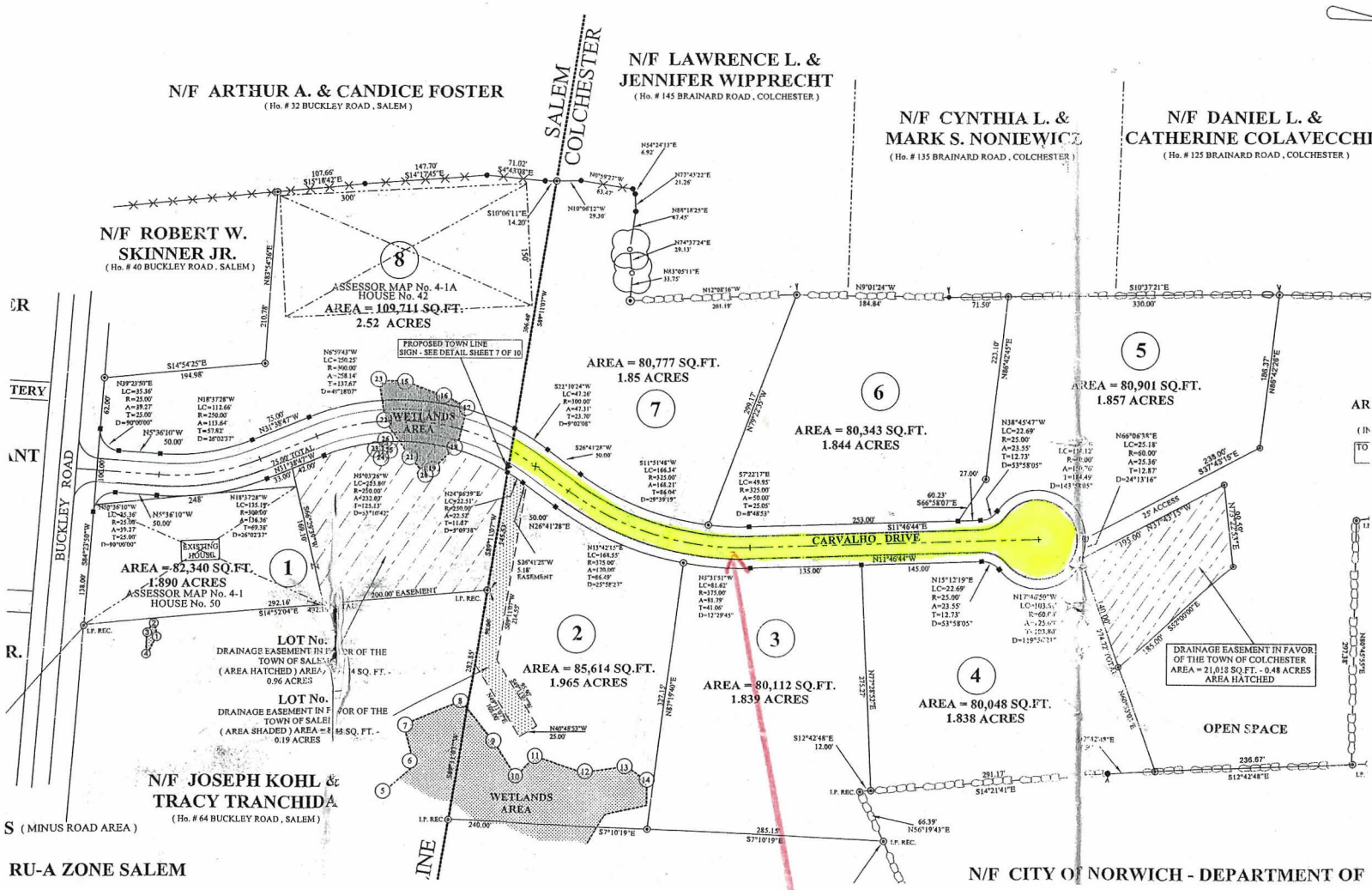
LOT No. 2
DRAINAGE EASEMENT IN FAVOR OF THE TOWN OF SALEM (AREA SHADED) AREA = 0.19 ACRES

DRAINAGE EASEMENT IN FAVOR OF THE TOWN OF COLCHESTER
AREA = 21,018 SQ. FT. - 0.48 ACRES
AREA HATCHED

N/F JOSEPH KOHL & TRACY TRANCHIDA
(Ho. # 64 BUCKLEY ROAD, SALEM)

RU-A ZONE SALEM

N/F CITY OF NORWICH - DEPARTMENT OF



PORTION OF CARVALHO DRIVE LOCATED IN COLCHESTER

SCALE: 1" = 200'

December 8, 2011

Code Administration
Building Official
Fire Marshal
Wetlands Enforcement



Planning and Zoning
Planning Director
Zoning Enforcement
Town Engineer

To: Colchester Board of Selectmen

From: Salvatore A. Tassone P.E. – Town Engineer

A handwritten signature in blue ink, appearing to read "Sal Tassone", is written over the printed name of the Town Engineer.

Re: Subdivision for # 612 Westchester Road LLC., Westchester road –
CT. Route 149 Colchester CT - Veccadola Drive
Owner/developer – Claudio Vecchiarino.

The owner of the referenced Subdivision has requested the release of his road maintenance bond. The town is currently holding a cash bond in the amount of \$34,590.00.

As of December 8, 2011, all of the completed public improvements appear to be in good condition and the maintenance bond has been in place for more than the required 1 year period. It is therefore recommended that the cash bond be released.

RECOMMENDED MOTION:


Motion that the Town of Colchester release the road maintenance bond for 612 Westchester Road Subdivision/Veccadola Drive in the amount of \$34,590.00 plus accrued interest as recommended by the Town Engineer.

December 7, 2011

Code Administration
Building Official
Fire Marshal
Wetlands Enforcement



Planning and Zoning
Planning Director
Zoning Enforcement
Town Engineer

To: Colchester Board of Selectmen
From: Salvatore A. Tassone P.E. – Town Engineer 
Re: Whispering Winds Subdivision, Usher Swamp Road and Founders Way
Owner/Developer – Edward Development Co. LLC, Ed Riccio.
New/current Owner/Developer – Whispering Winds Estates LLC –
James Marino

The current owner of the referenced subdivision has requested the release of his road maintenance bond. The town is currently holding Subdivision Surety Bond No. 5023486 by Bond Safeguard Insurance Company in the amount of \$56,468.00.

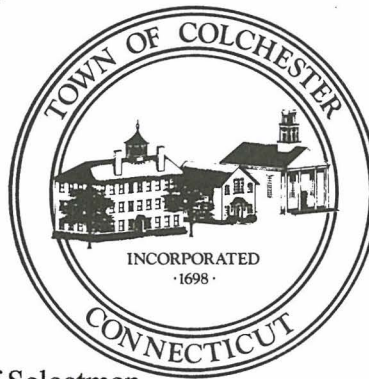
As of December 7, 2011, all of the completed public improvements appear to be in good condition and the maintenance bond has been in place longer than the required one year period. It is therefore recommended that the maintenance bond be released.

RECOMMENDED MOTION:

Motion that the Town of Colchester release the Subdivision Surety Bond No. 5023486 by Bond Safeguard Insurance Company in the amount of \$56,468.00 as recommended by the Town Engineer.

December 7, 2011

Code Administration
Building Official
Fire Marshal
Wetlands Enforcement



Sheet 1 of 2

Planning and Zoning
Planning Director
Zoning Enforcement
Town Engineer

To: Colchester Board of Selectmen
From: Salvatore A. Tassone P.E. – Town Engineer

Re: White Oak Farm Conservation Subdivision, Lebanon Avenue (Route 16) and
Goldberg Road, Colchester, CT. prepared for Ponsett Ridge LLC.
By: Angus McDonald Gary Sharpe Associates, Inc. **(phase A-1 Goldberg**

Road extension and White Tail Lane)

The Owner of the referenced Subdivision phase A-1 (Rodney Goldberg), has requested a bond reduction to reflect the public improvements completed to date.

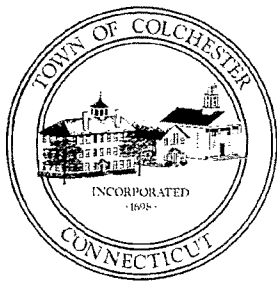
As of 12/7/2011, the remaining incomplete items are as follows:

<u>Item no.</u>	<u>Item</u>	<u>cost</u>
7	Cut bituminous pavement	\$60.00
16	Bank run gravel subbase	20,360.00
17	Processed gravel base	24,926.00
19	Sedimentation control system	1,890.00
20	Bituminous concrete class 1	54,600.00
21	Bituminous concrete class 2	40,950.00
46	6" bit. concrete curb	11,335.00
47	Metal beam rail	6,900.00
48	Concrete sidewalk	72,144.00
51	Water for dust control	200.00
52	Calcium chloride for dust control	500.00
53	Sweeping for dust control	200.00
54	Furnishing and placing topsoil	13,686.75
55	Liming	782.10
57	Turf establishment	3,910.50
61	Stop sign and post	200.00
62	Road sign and post	200.00
63	Speed limit signs and posts	400.00
65	Monuments and iron pins	7,300.00
66	As-built plans	3,015.00
67	Underground utilities	23,172.50
69	Clean sediment from catch basins	1,520.00
70	Construction entrance	300.00
72	Remove existing cul-de-sac, loam & seed	2,500.00
Remaining incomplete items		= \$291,051.85

The town is currently holding a Subdivision surety bond (Lexon Insurance Company bond no. 1063781) in the amount of \$442,262.85 to guarantee the completion of public improvements within the White Oak Farm Phase A-1 Subdivision. It is therefore recommended that the subdivision bond be reduced by \$151,211.00 leaving a bond balance of \$291,051.85.

RECOMMENDED MOTION:

Motion that the Town of Colchester reduce Subdivision surety bond No. 1063781 in the amount \$442,262.85 by \$151,211.00 leaving a bond balance of \$291,051.85 as recommended by the Town Engineer.



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

MEMORANDUM

To: Board of Selectmen

Cc:

From : Gregg Schuster, First Selectman

Date: 12/13/11

Re: Energy Performance Contract

After careful review, the contracts associated with the Investment Grade Audit (IGA) phase of the project are ready for execution. There are two separate contracts for approval and one financial action to be considered.

The first contract is with Honeywell to conduct the IGA. As discussed, there is a fee for the IGA only if Colchester does not proceed onto the next phase of the project. That fee is \$.05 per square foot audited with a total cost not to exceed \$32,000.

Recommended Motion – “Move to authorize the First Selectman to execute the contract with Honeywell for an Investment Grade Audit.”

The second contract is with CELTIC Energy to provide oversight over the IGA. CELTIC Energy will be compensated in the amount of \$34,800 which will be paid for out of an existing grant. CELTIC Energy is deferring an additional \$26,200 in fees for the IGA oversight until the commencement of the next phase of the project. CELTIC Energy understands and agrees that the deferred compensation is at their own risk and that if Colchester does not proceed with the next phase, they are not entitled to any additional compensation.

Recommended Motion – “Move to authorize the First Selectman to execute the contract with CELTIC Energy for oversight of an Investment Grade Audit.”

Finally, at the three board meeting, the dedication of funds was discussed in the event we have to pay Honeywell for the IGA. After further review, the CFO has made an alternative recommendation via a separate memo on how to designate funds for this possibility. The Board of Finance concurred with the CFO and took the recommended action at their last meeting.

Recommended Motion – “Move to commit \$32,000 of the General Fund Balance for the cost of the Investment Grade Audit.”

TOWN OF COLCHESTER

INVESTMENT GRADE AUDIT & PROJECT PROPOSAL CONTRACT

TABLE OF CONTENTS

EXHIBITS

Exhibit A: Scope of Work

Exhibit B: Notice of Acceptance of Investment Grade Audit Report

Exhibit C: Guidelines for Preliminary Monitoring and Verification Plan

Exhibit D: Cost and Pricing for IGA Development

Exhibit E: Pricing for Project Proposal Development

Appendices

Appendix A RFP for ESCO Solicitation (Pre-qualification Phase; Final Selection Phase)

Appendix B ESCO Proposal (Pre-qualification Phase; Final Selection Phase)

**INVESTMENT GRADE AUDIT AND
PROJECT PROPOSAL CONTRACT**

This Investment Grade Audit & Project Proposal Contract (the "Contract") is made and entered into as of December ____ 2011, between Honeywell International Inc. ("HONEYWELL" or "ESCO"), a Delaware Corporation, acting through its Automation and Control Solutions business unit, having its principal offices at 101 Columbia Road, Morristown, New Jersey 07962-1057, and The Town of Colchester, hereinafter referred to as ("The Town"), Town Hall 127 Norwich Avenue Colchester, Connecticut, 06415.

W I T N E S S E T H

WHEREAS, Authority exists in the law for the Town of Colchester to enter into this contract, and funds have been budgeted, appropriated and otherwise made available; a sufficient unencumbered balance thereof remains available for payment; and the required approval, clearance and coordination have been accomplished from and with appropriate agencies.

WHEREAS, ESCO is a company with experience and technical and management capabilities to provide for the discovery, engineering, procurement, installation, financing, savings guarantee, maintenance and monitoring of energy and water saving measures at facilities similar in size, function and system type to the Town's facilities; and

WHEREAS, ESCO has submitted a ESCO Response, in response to the Town's Request for Proposals (RFP), pertaining to the discovery, engineering, procurement, installation, financing, savings guarantee, maintenance and monitoring of energy and water saving measures at The Town's facilities; and

WHEREAS, the Town has selected ESCO to provide the services described herein; and

WHEREAS, the Town desires to enter into a Contract to have ESCO perform a Investment Grade Audit and Project Proposal to determine the feasibility of entering into an **Energy Savings Performance Contract** to provide for installation and implementation of energy and water saving measures at the Town's facilities.

WHEREAS, if energy and water saving measures are determined to be feasible, and if the amount of savings can be reasonably sufficient to cover all costs, as defined herein associated with an Energy Savings Performance Contracting project, the parties intend to negotiate an Energy Savings Performance Contract under which the ESCO will design, procure, install, implement, maintain and monitor such energy and water saving measures. However, this intent does not commit the Town to entering into such Energy Savings Performance Contract.

THEREFORE, the parties agree as follows:

1. Investment Grade Audit and Project Proposal Contract

ESCO agrees to perform an Investment Grade Audit in accordance with the Scope of Work described below. ESCO agrees to complete the Investment Grade Audit and tender to the Town a final report within 130 days from the execution of this Contract.

The Town agrees to assist the ESCO in performing the Investment Grade Audit in accordance with the Scope of Work described below. The Town agrees to work diligently to provide full and accurate information. ESCO agrees to work diligently to assess validity of information provided and to confirm or correct the information as needed. The parties contemplate that this will be an iterative process and that the Town will have a reasonable amount of time to review and determine acceptance before issuing the **Notice of Acceptance (Exhibit B: Notice of Acceptance of Investment Grade Audit Report)**.

ESCO agrees to offer an **Energy Savings Performance Contract Proposal** with a package of energy and water saving measures and with details as specified in the Scope of Work below.

2. Compensation to ESCO

ESCO shall be compensated as follows:

- a. **Basis and Maximum Amount.** Except as provided for in **Subsections 2(b) or 2(c)** below, within 120 days after the Town's acceptance of the final **Investment Grade Audit and Project Proposal Contract**, the Town shall pay to ESCO a sum not to exceed \$0.05 per square foot to be audited to a maximum of \$32,000.00, as per **Exhibit D: Cost and Pricing for IGA Development**. The Town shall only pay for square-footage actually audited. Areas deemed by ESCO not to be audited will not be charged to the Town.
- b. **Payment through Performance Contract.** The Town shall have no payment obligations under this contract provided that ESCO and the Town execute an Energy Savings Performance Contract within 120 days, after issuance of the **Notice of Acceptance (Exhibit B: Notice of Acceptance of Investment Grade Audit Report)** of the final **Investment Grade Audit and Project Proposal Contract**, but the fee indicated above shall be incorporated into ESCO's project costs in the Energy Savings Performance Contract and paid through the Energy Savings Performance Contract funding mechanisms.
- c. **Project With Insufficient Savings.** The Town shall have no payment obligations under this Contract in the event that ESCO's final **Investment Grade Audit and Project Proposal Contract** does not contain a package of energy and water saving measures which, if implemented and as meeting terms of **Exhibit A: Scope of Work, (b) Guidelines and Requirements**, will provide the Town with savings sufficient to fund the Town's payments of all costs and fees associated with the Energy Savings Performance Contract, including 1) the fee associated with the Investment Grade Audit, 2) a total fee of \$26,200.00 for consulting services provided by Celtic Energy, 3) all monthly payments on a lease purchase agreement to finance the measures, and 4) any annual fees for monitoring, maintenance, incurred by the ESCO. As detailed in **Exhibit A: Scope of Work, (b) Guidelines and Requirements**, the energy, water and operational savings produced by the measures shall be sufficient in aggregate to pay for the program costs within a 20 year term following

completion of the installation. Should the ESCO determine at any time during the Investment Grade Audit that savings cannot be attained to meet these terms, the Investment Grade Audit will be terminated by written notice by the ESCO to the Town. In this event this Contract shall be cancelled and the Town shall have no obligation to pay, in whole or in part, the amount specified in this **Section 2(a)**.

3. Scope of Work

The Investment Grade Audit and Energy Performance Proposal Contract shall be performed as described in **Exhibit A: Scope of Work**.

4. Termination/Remedies

This Contract may be terminated at any time as described below:

a. Termination for Default/Cause

1) Default.

If the ESCO refuses or fails to timely perform any of the provisions of this contract, with such diligence as will ensure its completion within the time specified in this contract, the Town may notify the ESCO in writing of the non-performance, and if not promptly corrected within the time specified, the Town may terminate the ESCO's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform.

2) ESCO's Duties

Notwithstanding termination of the contract and subject to any directions from the Town, the ESCO shall take timely, reasonable and necessary action to protect and preserve property in the possession of the ESCO in which the Town has an interest.

3) Compensation

Payment for completed services delivered and accepted by the Town shall be at the contract price. The Town may withhold amounts due to the ESCO as the Town reasonably deems to be necessary to protect the Town against loss because of outstanding liens or claims of former lien holders.

4) Excuse for Nonperformance or Delayed Performance

The ESCO shall not be in default by reason of any failure in performance of this contract in accordance with its terms if such failure arises out of acts of God; acts of the public enemy; acts of the State and any governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. Upon request of the ESCO, the Town shall ascertain the facts and extent of such failure, and, if the Town reasonably determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the ESCO's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the Town.

5) Erroneous Termination for Default

If after notice of termination of the ESCO's right to proceed under the provisions of this clause, it is determined for any reason that the ESCO was not in default under the provisions of this clause, or that the delay was excusable, the rights and obligations of the

parties shall be the same as if the notice of termination had been issued pursuant to the termination for convenience clause.

b. Termination for Convenience

1) Termination

The Town may, when the interests of the Town so require, terminate this contract in whole or in part, for the convenience of the Town. The Town shall give written notice of the termination to the ESCO specifying the part of the contract terminated and when termination will become effective. This in no way implies that the Town has breached the contract by exercise of the Termination for Convenience Clause.

2) ESCO's Obligations

The ESCO shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the ESCO will stop work to the extent specified. The ESCO shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The ESCO shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Town may direct the ESCO to assign the ESCO's right, title, and interest under terminated orders or subcontracts to the Town. The ESCO must still complete and deliver to the Town the work not terminated by the Notice of Termination and may incur obligations as are necessary to do so.

3) Compensation

- a) The ESCO shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data bearing on such claim. If the ESCO fails to file a termination claim or invoice for payment within 90 days from the effective date of termination, the Town shall pay the ESCO for all bills received and outstanding at that time.
- b) The Town and the ESCO may agree to a settlement provided the ESCO has filed a termination claim supported by cost or pricing data and that the settlement does not exceed the total contract price plus settlement costs, reduced by payments previously made by the Town, the proceeds of any sales of supplies and manufactured materials made under agreement, and the contract price of the work not terminated.
- c) Absent complete agreement, under subparagraph b of this Section, the Town shall pay the ESCO the following amounts, provided the payments agreed to under subparagraph b shall not duplicate payments under this subparagraph:
 - (1) Contract prices for supplies or services accepted under the contract;
 - (2) Costs incurred in preparing to perform the terminated portion of the work plus a fair and reasonable profit on such portion of the work (such profit shall not include anticipatory profit or consequential damages) less amounts paid to or to be paid for accepted supplies or services; provided, however, that if it appears that the ESCO would have been sustained a loss if the entire contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss.
 - (3) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to the ESCO's obligations paragraph of this

clause. These costs must not include costs paid in accordance with subparagraph b of this Section.

- (4) The reasonable settlement costs of the ESCO including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract and for the termination and settlement of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the terminated portion of this contract.
 - (5) The total sum to be paid the ESCO under this subparagraph c shall not exceed the total contract price plus settlement costs, reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph b, and the contract price of work not terminated.
- d) Cost claimed or agreed to under this section shall be in accordance with applicable sections of the State Procurement Code.

c. Available Funds – Contingency - Remedies

The Town is prohibited by law from making fiscal commitments beyond the term of its current fiscal period. Therefore, ESCO's compensation is contingent upon the continuing availability of the Town appropriations. Payments pursuant to this contract shall only be made from available funds encumbered for this Contract, and the Town's liability for such payments shall be limited to the amount remaining of such encumbered funds. If the Town or federal funds are not appropriated, or otherwise become unavailable to fund this Contract, the Town may immediately terminate the Contract in whole or in part without further liability in accordance with the Termination for Convenience subsection of the Remedies section of this Contract. All payments are subject to the general Remedies section of this Contract.

5. Insurance

Before commencing any Work under this Contract, ESCO shall file with the Town certificates of insurance evidencing the coverage's as specified below:

- a. It is agreed and understood ESCO shall maintain in full force and effect adequate commercial general liability insurance and property damage insurance, as well as workmen's compensation and employer's liability insurance pursuant to the State insurance requirements as defined below.
- b. The ESCO shall obtain, and maintain at all times during the term of this Agreement, insurance in the following kinds and amounts.
 - 1) Standard Workers' Compensation and Employer's Liability as required by State statute, including occupational disease, covering all employees at the work site.
 - 2) General Liability (minimum coverage)
 - a) Combined single limit of \$600,000 written on an occurrence basis.
 - b) Any aggregate limit will not be less than \$1,000,000.
 - c) The ESCO must purchase additional insurance if claims reduce the annual aggregate below \$600,000.
 - 3) Automobile Liability (minimum coverage) in the amount of \$600,000 combined single limit

- 4) The Town shall be named as an additional insured on each commercial general liability policy.
- 5) The insurance shall include provisions preventing cancellation without 30 calendar days prior written notice, by certified mail to the Town.
- 6) ESCO shall be responsible for all claims, damages, losses or expenses, including attorney's fees, arising out of or resulting from the performance of the Services contemplated in this Contract, to the extent that any such claim, damage, loss or expense is caused by any negligent act, error or omission of ESCO, any Consultant or associate thereof, or anyone directly or indirectly employed by ESCO. ESCO shall submit a Certificate of Insurance after the signing of this Contract and also any notices of Renewal of said Policy as they occur.

6. Energy Savings Performance Contract

The Parties intend to negotiate an Energy Savings Performance Contract under which the ESCO will design, install and implement energy and water saving measures which the Parties have agreed to, and provide certain maintenance and monitoring services. However, nothing in this Contract should be construed as an obligation on any of the Parties to execute such a contract. The terms and provisions of such an Energy Savings Performance Contract will be set forth in a separate contract.

7. Extent of Agreement

- a. This Contract represents the entire and integrated agreement between the Town and ESCO and supersedes all prior negotiations, representations or agreement, either written or oral. This Contract may be amended only by written instrument signed by both parties.
- b. The Town and ESCO understand and agree the attachment and exhibits hereto are and shall be an integral part of this Contract and the terms and provisions thereof are hereby incorporated, made a part of and shall supplement those recited herein.

8. Term

The term of this Contract will become effective upon signature by both parties. This Contract shall be effective for 180 days or until superseded by an executed contract between the parties. The term can be extended by mutual agreement of the parties. Either party may terminate this Agreement in accordance with Article 4. During the term of this Contract, the Town shall not negotiate with any party other than ESCO concerning the proposed project.

9. Order of Precedence

In the event of conflict or inconsistency between this contract and its exhibits or attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

1. Contract - general terms and conditions
2. Other exhibits or attachments

10. Limitation of Liability

Notwithstanding anything to the contrary in this Contract, in no event shall either party be liable for any consequential damages which result from, arise under or relate to the Investment Grade

Audit Report, Project Proposal or any services provided under this Contract. ESCO shall have no responsibility to the Town or others for any use of the Investment Grade Audit Report, Project Proposal or any other information provided by ESCO unless it is implemented through a subsequently-executed energy savings performance contract.

11. Miscellaneous Terms.

11.1 The Town of Colchester and the Colchester Board of Education are exempt from paying excise, transportation and sales taxes imposed by the Federal Government and/or the State of Connecticut. Such taxes must not be included in prices.

11.2 Execution of this Contract does not constitute a waiver of the Town's sovereign immunity.

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto subscribe their names to this Contract on the date first written above.

The Town

By _____
Principal Representative

(Corporate Seal)

ESCO

By: _____

ATTEST

Name

Title

Signature

Address

City, State, Zip

Social Security Number or Federal ID Number

APPROVED:

EXHIBIT A
Scope of Work

a. **Process**

This will be an interactive approach in working with the Town, following these steps:

- 1) **Preliminary Assessment of Needs and Opportunities (30% Submission)**
The 30% submission should include a description of the baseline conditions (including facility description, hours of operation, quantity of occupants, etc.), an anticipated list of ECMs should be provided, Metering plan (data logging to confirm baseline conditions) and preliminary Measurement & Verification (M&V) approach.
 - a) Meet with The Town to establish interests, plans, problems, etc. related to facilities and operation of facilities.
 - b) Collect data and background information on buildings, equipment and facilities operation
 - c) Establish base year consumption and reconcile with end-use consumption estimates to create a baseline in compliance with the IPMVP September 2010 version and FEMP M&V Guidelines.
 - d) Perform a preliminary walk-through of facilities and interview staff and occupants to identify potential measures
 - e) Meet with The Town to present preliminary findings and establish agreement on measures to analyze
- 2) **Preliminary Analysis of Measures (60% Submission)**
The 60% submission should include initial ECM development, Metering results, preliminary cost and savings and M&V outline.
 - a) Conduct a preliminary analysis of potential measures including estimates of costs and savings. Metering results shall be used to inform energy savings estimates.
 - b) Submit 60% IGA to Town and Owner's representative. All energy savings calculations shall be submitted in native electronic format for review, comment, and approval. For instance, for any EQuest or other energy simulation software used, the ESCO shall be submit the input and output files electronically.
 - c) Meet with The Town to present preliminary findings and establish agreement on measures to further analyze
 - d) See ENERGY STAR below.
- 3) **Further Analysis and Audit Report (90% IGA Submission)**
 - a) Further analyze measures
 - b) Develop a preliminary Investment Grade Audit Report
 - c) Meet with the Town to present results

- d) Prepare final Investment Grade Audit Report
- 4) Energy Savings Performance Contract Proposal
 - a) Develop Energy Savings Performance Contract proposal
 - b) Meet with The Town to present results and negotiate final terms

b. Scope Guidelines and Requirements

- 1) Energy Savings Performance Contract Term. The Energy Savings Performance Contract Term shall have a term no greater than 20 years and no greater than the cost-weighted average lifetime of the equipment. The Town's goal is for a term no greater than Desired Financing Term years.
- 2) Annual Guaranteed Energy and Cost Savings. The annual guarantee is required for the entire financing term; however The Town has the option to terminate the guarantee at any time after the first three years of the contract term provided the annual guaranteed energy and cost savings were achieved each prior year. The guarantee is based on cost savings attributable to all energy saving measures, and must equal or exceed all project costs each year during the contract period. Annual project costs include debt service, ESCO fees, maintenance services, monitoring services, and other services.
- 3) ESCO shall reserve up to 5% of annually guaranteed savings for The Town to hire an independent third-party professional to review the ESCO's monitoring and verification reports and advise The Town of compliance in monitoring and verifying savings.
- 4) Excess Savings. Annual cost savings beyond the guaranteed minimum savings will be retained by The Town, and will not be allocated to shortfalls in other years.
- 5) Annual Savings Estimates: The annual savings estimates for all measures must be estimated for each year during the contract period.
- 6) Allowable cost and savings factors approved for consideration. The Town will provide ESCO with sufficient guidance to develop savings estimates.
 - a) Payment sources that can be incorporated:
 - 1. Energy and water cost savings
 - 2. Material/commodity savings, including scheduled replacement of parts (only for years that these cost savings are applicable)
 - 3. Outside labor cost savings, including maintenance contracts
 - 4. In-house labor costs
 - 5. Deferred maintenance cost
 - 6. Offset of future capital cost
 - 7. Outside incentive funds (utility incentives, grants, etc.)
 - 8. Any savings related to maintenance and operation of the facilities will be limited to those that can be thoroughly documented.
 - b) Payment sources that may also be considered and negotiated:
 - c) Additional factors related to establishing savings that cover all costs:

1. Escalation rates that apply to each payment source. These are rates to be used in cash flow projections for project development purposes.
 2. Interest rates (municipal tax-exempt rates for the Town)
 3. The Town cash outlay (The Town's sole discretion)
 - d) The markup costs are presented in **Exhibit D: Cost and Pricing for IGA Development**. These rates will be used in the Investment Grade Audit and subsequent Energy Savings Performance Contract.
- c. **Collect data and background information from The Town** concerning facility operation and energy use for the most recent three years from the effective date of this Contract as follows.
- 1) Building square footage.
 - 2) Construction data of buildings and major additions including building envelope
 - 3) Utility company invoices
 - 4) Occupancy and usage information
 - 5) Description of all energy-consuming or energy-saving equipment used on the premises, as available.
 - 6) Description of energy management procedures utilized on the premises
 - 7) Description of any energy-related improvements made or currently being implemented
 - 8) Description of any changes in the structure of the facility or energy-using or water-using equipment
 - 9) Description of future plans regarding building modifications or equipment modifications and replacements
 - 10) Drawings, as available (may include mechanical, plumbing, electrical, building automation and temperature controls, structural, architectural, modifications and remodels)
 - 11) Original construction submittals and factory data (specifications, pump curves, etc.), as available
 - 12) Operating engineer logs, maintenance work orders, etc., as available
 - 13) Records of maintenance expenditures on energy-using equipment, including service contracts
 - 14) Prior energy audits or studies, if any

The Town agrees to work diligently to furnish ESCO, upon request, accurate and complete data and information as available. Where information is not available from The Town, ESCO will make a diligent effort to collect such information through the facility inspection, staff interviews, and utility companies.

ESCO agrees to work diligently to assess validity of information provided and to confirm or correct the information as needed.

d. **Identify potential measures**

- 1) Interview the facility manager, maintenance staff, subcontractors and occupants of each building regarding:
 - a) Facility operation, including energy management procedures
 - b) Equipment maintenance problems
 - c) Comfort problems and requirements
 - d) Equipment reliability
 - e) Projected equipment needs
 - f) Occupancy and use schedules for the facility and specific equipment.
 - g) Facility improvements – past, planned and desired
- 2) Survey major energy-using equipment, including lighting (indoor and outdoor), heating and heat distribution systems, cooling systems and related equipment, automatic temperature control systems and equipment, air distribution systems and equipment, outdoor ventilation systems and equipment; exhaust systems and equipment; hot water systems, electric motors, transmission and drive systems, special systems (kitchen/dining equipment, etc.), renewable energy systems, other energy using systems, water consuming systems (restroom fixtures, water fountains, irrigation systems, etc.)
- 3) Perform "late-night" surveys outside of normal business hours or on weekends to confirm building system and occupancy schedules, if deemed necessary.
- 4) Develop a preliminary list of potential energy and water saving measures. Consider the following for each system:
 - a) Comfort and maintenance problems
 - b) Energy use, loads, proper sizing, efficiencies and hours of operation
 - c) Current operating condition
 - d) Remaining useful life
 - e) Feasibility of system replacement
 - f) Hazardous materials and other environmental concerns
 - g) The Town's future plans for equipment replacement or building renovations
 - h) Facility operation and maintenance procedures that could be affected
 - i) Capability to monitor energy performance and verify savings

The Town will allow ESCO reasonable access to facility staff to ensure understanding of existing systems and opportunities.

ESCO agrees to work diligently to assess validity of information provided and to confirm or correct the information as needed.

e. **Establish base year consumption and reconcile with end use consumption estimates.**

- 1) Establish base year consumption by examining utility bills for the past three years for electricity, gas, steam, water, etc. Present base year consumption in terms of

energy units (kWh, kW, ccf, Therms, gallons, or other units used in bills), in terms of dollars, and in terms of dollars per square foot. Describe the process used to determine the base year (averaging, selecting most representative contiguous 12 months, etc.). Consult with facility personnel to account for any anomalous schedule or operating conditions on billings that could skew the base year representation. ESCO will account for periods of time when equipment was broken or malfunctioning in calculating the base year.

- 2) Estimate loading, usage and/or hours of operation for all major end uses of total facility consumption including, but not limited to: lighting, heating, cooling, motors (fans and pumps), plug loads, and other major energy and water using equipment. Where loading or usage are highly uncertain (including variable loads such as cooling), ESCO will use its best judgment, spot measurements or short-term monitoring. ESCO should not assume that equipment run hours equal the operating hours of the building(s) or facility staff estimates.
 - 3) Reconcile annual end-use estimated consumption with the annual base year consumption. This reconciliation will place reasonable “real-world” limits on potential savings.
 - 4) Propose adjustments to the baseline for energy and water saving measures that will be implemented in the future.
- f. **Develop a preliminary analysis of potential energy and water saving measures.**
This list shall be compiled and submitted to The Town within 90 calendar days of the execution of this Contract.
- 1) List all potential opportunities, whether cost-effective or not. Consider technologies in a comprehensive approach including, but not limited to: lighting systems, heating/ventilating/air conditioning equipment and distribution systems, controls systems, building envelope, motors, kitchen equipment, pools, renewable energy systems, other special equipment, irrigation systems, and water saving devices.
 - 2) Identify measures which appear likely to be cost effective and therefore warrant detailed analysis
 - 3) For each measure, prepare a preliminary estimate of energy or water cost savings including description of analysis methodology, supporting calculations and assumptions used to estimate savings.
- g. **Meet with The Town to present preliminary findings** prior to thorough analysis. Describe how the projected project economics meet the The Town’s terms for completing the Investment Grade Audit and Proposal Contract. Discuss assessment of energy use, savings potential, project opportunities, and potential for developing an Energy Savings Performance Contract. Develop a list of recommended measures for further analysis. The The Town shall have the option to reject calculations of savings, potential savings allowed, or project recommendations.
- h. **Analyze savings and costs for each energy and water saving measure.**

- 1) Follow the methodology of ASHRAE or other nationally-recognized authority following the engineering principle(s) identified for each retrofit option
 - 2) Utilize assumptions, projections and baselines which best represent the true value of future energy or operational savings. Include accurate marginal costs for each unit of savings at the time the audit is performed, documentation of material and labor cost savings, adjustments to the baseline to reflect current conditions at the facility, calculations which account for the interactive effects of the recommended measures.
 - 3) Use best judgment regarding the employment of instrumentation and recording durations so as to achieve an accurate and faithful characterization of energy use
 - 4) Use markups and fees stated above in all cost estimates.
 - 5) Develop a preliminary measurement and verification plan for each measure
 - 6) Follow additional guidelines for analysis and report preparation given below
 - 7) Include cost to provide services and complete application for Energy Star Label, LEED-EB certification for Existing Buildings, or other certification. Also include cost for EPA's Tools for Schools or other such program related to improved air quality.
- i. **Prepare Draft Investment Grade Audit Reports.** The reports provide an engineering and economic basis for negotiating a potential Energy Savings Performance Contract between the The Town and the ESCO. They shall be submitted at 30%, 60%, and 90% completion levels. The detailed requirements for each submission will be discussed with the ESCO prior to commencing with the IGA. The reports shall be completed within **90** calendar days of the date of execution of this Contract. The reports shall include:
- 1) Overview
 - a) Contact information
 - b) Summary table of recommended energy and water saving measures, with itemization for each measure of total design and construction cost, annual maintenance costs, the first year cost avoidance (in dollars and energy units), simple payback and equipment service life
 - c) Summary of annual energy and water use by fuel type and costs of existing or base year condition
 - d) Calculation of cost savings expected if all recommended measures are implemented and total percentage savings of total facility energy cost.
 - e) Description of the existing facility, mechanical and electrical systems
 - f) Summary description of measures, including estimated costs and savings for each as detailed above
 - g) Discussion of measures considered but not investigated in detail
 - h) Conclusions and recommendations
 - 2) Base year energy use
 - a) Description and itemization of current billing rates, including schedules and riders.
 - b) Summary of all utility bills for all fuel types and water

- c) Identification and definition of base year consumption and description of how established
- d) Reconciliation of estimated end use consumption (i.e. lighting, cooling, heating, fans, plug loads, etc) with base year (include discussion of any unusual findings)
- 3) Full description of each energy and water saving measure including:
 - a) Written description
 - (1) Existing conditions
 - (2) Description of equipment to be installed and how it will function
 - (3) Include discussion of facility operations and maintenance procedures that will be affected by installation/implementation.
 - (4) Present the plan for installing or implementing the recommendation.
 - b) Savings calculations
 - (1) Base year energy use and cost
 - (2) Post-retrofit energy use and cost
 - (3) Savings estimates including analysis methodology, supporting calculations and assumptions used.
 - (4) Annual savings estimates. The cost savings for all energy saving measures must be estimated for each year during the contract period. Savings must be able to be achieved each year (cannot report average annual savings over the term of the contract).
 - (5) Savings estimates must be limited to savings allowed by the The Town as described above.
 - (6) Percent cost-avoidance projected
 - (7) Description and calculations for any proposed rate changes
 - (8) Explanation of how savings interactions between retrofit options are accounted for in calculations.
 - (9) Operation and maintenance savings, including detailed calculations and description. Ensure that maintenance savings are only applied in the applicable years and only during the lifetime of the particular equipment.
 - (10) If computer simulation is used, include a short description and state key input data. If requested by The Town, access will be provided to the program and all assumptions and inputs used, in native electronic format and/or printouts shall be provided of all input files and important output files and included in the Investment Grade Audit with documentation that explains how the final savings figures are derived from the simulation program output printouts
 - (11) If manual calculations are employed, formulas, assumptions and key data shall be stated. Electronic live spreadsheets shall be submitted for review.
 - (12) Conclusions, observations, caveats
 - c) Cost estimate -- detailed scope of the construction work needed, suitable for cost estimating. Include all anticipated costs associated with

installation and implementation. Provide specifications for major mechanical components as well as detailed lighting and water fixture counts.

- (1) Engineering/design costs
- (2) ESCO/vendor estimates for labor, materials, and equipment; include special provisions, overtime, etc., as needed to accomplish the work with minimum disruption to the operations of the facilities.
- (3) Permit costs
- (4) Construction management fees
- (5) Environmental costs or benefits (disposal, avoided emissions, handling of hazardous materials, etc.)
- (6) Note that all markups and fees stated in this Contract shall be used in the cost estimates, unless otherwise documented and justified due to change in scope or size of project or other unforeseen circumstances.
- (7) Conclusions, observations, caveats
- (8) Other cost categories as defined above under “markups” in Section 3b above.

d) Other

- (1) Estimate of average useful service life of equipment
- (2) Preliminary commissioning plan (as outlined in **Energy Savings Performance Contract – Schedules**)
- (3) Preliminary measurement and verification plan, following the International Performance Measurement and Verification Protocol (IPMVP), explaining how savings from each measure is to be measured and verified (stipulated by Contract, utility bill analysis, end-use measurement and calculation, etc.). The Preliminary M&V plan shall follow the format provided in **Exhibit C: Savings Measurement and Verification Plan**.
- (4) Discussion of impacts that facility would incur after contract ends. Consider operation and maintenance impacts, staffing impacts, budget impacts, etc., and identify who is responsible for maintenance.
- (5) Compatibility with existing systems. NOTE: Include the name of the existing controls system, if new controls systems will have to be compatible with an existing brand of controls. Also note if a sole-source vendor is established for controls systems.
- (6) Complete appendices that document the data used to prepare the analyses. Describe how data were collected.

j. **Meet with The Town** to:

Review the recommendations, savings calculations and impact of the measures on the operations of the facility. Describe how the projected project economics meet the Town’s terms for completing the Investment Grade Audit and Performance Contract

- Proposal. Discuss the willingness and capability of The Town to make capital contributions to the project to improve the economics of the overall project.
- k. **Revise Audit as directed by The Town.**
- l. **Prepare an Energy Savings Performance Contract Proposal (Term Sheet).** In anticipation of ESCO and The Town entering into an Energy Savings Performance Contract to design, install, and monitor the energy and water saving measures proposed in the Investment Grade Audit Report, ESCO shall prepare a proposal for terms to be incorporated in a Energy Savings Performance Contract to include:
- 1) Project Price is the total amount The Town will pay for the project and ESCO's services. The price must be consistent with maximum markups, margins and fees established in **Exhibit D: Cost and Pricing for IGA Development** and the pricing margins established in **Exhibit E: Pricing for Project Proposal Development**. Costs may include but are not limited to: engineering, designing, packaging, procuring, installing (from Investment Grade Audit Report results); performance/payment bond costs; construction management fees; commissioning costs; maintenance fees; monitoring fees; training fees; legal services; overhead and profit; other markups.
 - 2) Include a List of Services that will be provided as related to each cost.
 - 3) Expected term of the Energy Savings Performance Contract.
 - 4) Description of how the project will be financed including available interest rates and financing terms, based on interest rates likely available to The Town at this time, and based on a 60-day and 90-day lock option.
 - 5) Explanation of how the savings will be calculated and adjusted due to weather (such as heating and cooling degree days), occupancy or other factors. Monitoring and verification methods must be consistent with the latest version of the *International Performance Monitoring and Verification Protocol* and **Exhibit C: Savings Measurement and Verification Plan**.
 - 6) Analysis of annual cash flow for The Town during the contract term.
- m. **Utilize ENERGY STAR Tools** ESCO shall provide a Portfolio Manager rating and energy performance target score estimate. For each eligible building, ESCO shall provide a pre-retrofit Energy Performance Rating using EPA ENERGY STAR's Portfolio Manager, the weather normalized energy intensity in kBtu/SF, and an estimated post-retrofit Energy Performance Rating. If the building type is not eligible for rating in Portfolio Manager, then the normalized source EUI will suffice. ESCO shall provide a completed Cash Flow Opportunity Calculator (CFO Calculator) for the project, with variables inserted that represent the most likely options available to the customer. This will enable the ESCO and the customer to have an agreed-upon format for discussing project financing options and the potential costs of project delays. The CFO Calculator will be provided in both hard copy and electronic format, so that the agency can run its own analyses on financing options in the agreed format.

ESCO will submit a completed Cash Flow Opportunity spreadsheet using the Cash Flow Opportunity Calculator (CFO Calculator) for the total project which shall include all facilities to be improved.

EXHIBIT B
Notice of Acceptance of Investment Grade Audit Report

Notice of Acceptance

Date of Notice _____

Notice is hereby given that *The Town* accepts the Investment Grade Audit and Project Development Proposal by ESCO, as contemplated in **Section 2 of the Investment Grade Audit and Project Proposal Contract** dated _____.

The Town of Colchester

By _____

Date _____

When completely executed, this form is to be sent by certified mail to the ESCO by The Town.

EXHIBIT C

Guidelines for Preliminary Monitoring and Verification Plan

Prepare the M&V Plan as outlined below.

List of Processes and Tables:

Risk, Responsibility and Performance Matrix

M&V Plan and Savings Calculation Methods

- Proposed Annual Savings Overview
- Site Use and Savings Overview (Optional)
- M&V Plan Summary
- Schedule of Verification Reporting Activities
- Proposed Annual Savings For ECM
- Expected Year 1 Savings for ECM
- ENERGY STAR Ratings

Risk, Responsibility and Performance Matrix.

The ESCO shall complete and include the matrix below to summarize the allocation of responsibility for key items related to M&V.

RISK, RESPONSIBILITY AND PERFORMANCE MATRIX

RESPONSIBILITY/DESCRIPTION	CONTRACTOR PROPOSED APPROACH
1. Financial	
<p>a. Interest rates: Neither the contractor nor the Town has significant control over prevailing interest rates. Higher interest rates will increase project cost, financing/project term, or both. The timing of the TO signing may impact the available interest rate and project cost.</p>	
<p>b. Construction costs: The contractor is responsible for determining construction costs and defining a budget. In a fixed-price design/build contract, the Town assumes little responsibility for cost overruns. However, if construction estimates are significantly greater than originally assumed, the contractor may find that the project or measure is no longer viable and drop it before TO award. In any design/build contract, the Town loses some design control. Clarify design standards and the design approval process (including changes) and how costs will be reviewed.</p>	
<p>c. M&V confidence: The Town assumes the responsibility to determine the confidence that it desires to have in the M&V program and energy savings determinations. The desired confidence will be reflected in the resources required for the M&V program, and the ESCO must consider the requirement prior to submittal of the final proposal. Clarify how project savings are being verified (e.g., equipment performance, operational factors, energy use) and the impact on M&V costs.</p>	
<p>d. Energy Related Cost Savings: The Town and the contractor may agree that the project will include savings from <i>recurring</i> and/or <i>one-time</i> costs. This may include one-time savings from avoided expenditures for projects that were appropriated but will no longer be necessary. Including one-time cost savings before the money has been appropriated may involve some risk to the Town. Recurring savings generally result from reduced O&M expenses or reduced water consumption. These O&M and water savings must be based on actual spending reductions. Clarify sources of non-energy cost savings and how they will be verified.</p>	
<p>e. Delays: Both the contractor and the Town can cause delays. Failure to implement a viable project in a timely manner costs the Town in the form of lost savings, and can add cost to the project (e.g., construction interest, re-mobilization). Clarify schedule and how delays will be handled.</p>	
<p>f. Major changes in facility: The Town controls major changes in facility use, including closure. Clarify responsibilities in the event of a premature facility closure, loss of funding, or other major change.</p>	
2. Operational	
<p>a. Operating hours: The Town generally has control over operating hours. Increases and decreases in operating hours can show up as increases or decreases in “savings” depending on the M&V method (e.g., operating hours multiplied by improved efficiency of equipment vs. whole-building/utility bill analysis). Clarify whether operating hours are to be measured or stipulated and what the impact will be if they change. If the operating hours are stipulated, the baseline should be carefully documented and agreed to by both parties.</p>	
<p>b. Load: Equipment loads can change over time. The Town generally has control over hours of operation, conditioned floor area, intensity of use (e.g., changes in occupancy or level of automation). Changes in load can show up as increases or decreases in “savings” depending on the M&V method. Clarify whether equipment loads are to be measured or stipulated and what the impact will be if they change. If the equipment loads are stipulated, the baseline should be carefully documented and agreed to by both parties.</p>	

Exhibit A Scope of Work

<p>c. Weather: A number of energy efficiency measures are affected by weather. Neither the contractor nor the Town has control over the weather. Should the Town agree to accept risk for weather fluctuations, it shall be contingent upon aggregate payments not exceeding aggregate savings. Clearly specify how weather corrections will be performed.</p>	
<p>d. User participation: Many energy conservation measures require user participation to generate savings (e.g., control settings). The savings can be variable and the contractor may be unwilling to invest in these measures. Clarify what degree of user participation is needed and utilize monitoring and training to mitigate risk. If performance is stipulated, document and review assumptions carefully and consider M&V to confirm the capacity to save (e.g., confirm that the controls are functioning properly).</p>	
<p>3. Performance</p>	
<p>a. Equipment performance: The contractor has control over the selection of equipment and is responsible for its proper installation, commissioning, and performance. The contractor has responsibility to demonstrate that the new improvements meet expected performance levels including specified equipment capacity, standards of service, and efficiency. Clarify who is responsible for initial and long-term performance, how it will be verified, and what will be done if performance does not meet expectations.</p>	
<p>b. Operations: Performance of the day-to-day operations activities is negotiable and can impact performance. However, the contractor bears the ultimate risk regardless of which party performs the activity. Clarify which party will perform equipment operations, the implications of equipment control, how changes in operating procedures will be handled, and how proper operations will be assured.</p>	
<p>c. Preventive Maintenance: Performance of day-to-day maintenance activities is negotiable and can impact performance. However, the contractor bears the ultimate risk regardless of which party performs the activity. Clarify how long-term preventive maintenance will be assured, especially if the party responsible for long-term performance is not responsible for maintenance (e.g., contractor provides maintenance checklist and reporting frequency). Clarify who is responsible for performing long-term preventive maintenance to maintain operational performance throughout the contract term. Clarify what will be done if inadequate preventive maintenance impacts performance.</p>	
<p>d. Equipment Repair and Replacement: Performance of day-to-day repair and replacement of contractor-installed equipment is negotiable, however it is often tied to project performance. The contractor bears the ultimate risk regardless of which party performs the activity. Clarify who is responsible for performing replacement of failed components or equipment replacement throughout the term of the contract. Specifically address potential impacts on performance due to equipment failure. Specify expected equipment life and warranties for all installed equipment. Discuss replacement responsibility when equipment life is shorter than the term of the contract.</p>	

M&V PLAN AND SAVINGS CALCULATION METHODS OUTLINE

Fill in the following tables or provide equivalent information.

PROPOSED ANNUAL SAVINGS OVERVIEW

[Include all applicable fuels/commodities for project, e.g., electric energy, electric demand, natural gas, fuel oil, coal, water, etc.]

ECM	Total energy savings (MBtu/yr)	Electric energy savings (kWh/yr)	Electric demand savings (kW/yr)*	Natural gas savings (MBtu/yr)**	Water savings (gallons/yr)	Other energy savings (MBtu/yr)**	Total energy and water cost savings, Year 1 (\$/yr)	Other energy-related O&M cost savings, Year 1 (\$/yr)	Total cost savings, Year 1 (\$/yr)
Total savings									

First Year Guaranteed Cost Savings: \$

Notes
 *Annual electric demand savings (kW/yr) is the sum of the monthly demand savings.
 MBtu=10⁶ Btu.
 **If energy is reported in units other than MBtu, provide a conversion factor to MBtu for link to cost schedules (e.g., 0.003413 MBtu/kWh).

SITE USE AND SAVINGS OVERVIEW

	Total energy savings (MBtu/yr)	Electric energy savings (kWh/yr)	Electric demand savings (kW/yr)*	Natural gas savings (MBtu/yr)**	Water savings (gallons/yr)	Other energy savings (MBtu/yr)**
Total proposed project savings						
Usage for entire site**						
% Total site usage saved						
Project square footage (KSF)						
Project square footage (KSF)						
Total site square footage (KSF)						
% Total site area affected						
Notes MBtu=10 ⁶ Btu *Annual electric demand savings (kW/yr) is the sum of the monthly demand savings. **If energy is reported in units other than MBtu, provide a conversion factor to MBtu for link to cost schedules (e.g., 0.003413 MBtu/kWh). ***Define usage period. KSF = 10 ³ square feet.						

M&V PLAN SUMMARY

ECM No.	ECM Description	M&V Option Used*	Summary of M&V Plan

*M&V options include A, B, C, and D of the International Performance Measurement and Verification Protocol (IPMVP).

SCHEDULE OF VERIFICATION REPORTING ACTIVITIES

Item	^a Recommended time of submission	^a The Town's review and acceptance period
Post-Installation Report	30 to 60 days after acceptance	30 days
Annual Report	30 to 60 days after annual performance period	30 days

^aTimes are recommended based on industry practice; modify as needed.

PROPOSED ANNUAL SAVINGS FOR EACH ECM

[Include all applicable fuels/commodities for project, such as: electric energy, electric demand, natural gas, fuel oil, coal, water, etc.]

	Total energy use (MBtu/yr)	Electric energy use (kWh/yr)	Electric energy cost, Year 1 (\$/yr)	Electric demand* (kW/yr)	Electric demand cost, Year 1 (\$/yr)	Natural gas use (MBtu/yr)**	Natural gas cost, Year 1 (\$/yr)	Water use (gallons/yr)	Water cost, Year 1 (\$/yr)	Other energy use (MBtu/yr)**	Other energy cost, Year 1 (\$/yr)	Other energy-related O&M costs, Year 1 (\$/yr)	Total costs, Year 1 (\$/yr)
Baseline use													
Post-installation use													
Savings													

Notes

*Annual electric demand savings (kW/yr) is the sum of the monthly demand savings.

MBtu = 10⁶ Btu.

**If energy is reported in units other than MBtu, provide a conversion factor to MBtu for link to cost schedules (e.g., 0.003413 MBtu/kWh).

ECM-SPECIFIC M&V PLAN AND SAVINGS CALCULATION METHODS

Develop section for each ECM.

- Summarize the scope of work, location, and how cost savings are generated. Describe source of all savings including energy, water, O&M, and other (if applicable).
- Specify the M&V guideline and option used from the International Performance Measurement and Verification Protocol (IPMVP).
- Provide an overview of M&V Activities for ECM. Explain intent of M&V plan, including what is being verified.
- Provide an overview of savings calculations methods for ECM. Provide a general description of analysis methods used for savings calculations.

Proposed Energy and Water Savings Calculations and Methodology

- Provide detail description of analysis methodology used. Describe any data manipulation or analysis that was conducted prior to applying savings calculations.
- Detail all assumptions and sources of data, including all stipulated values used in calculations.
- Include equations and technical details of all calculations made. (Use appendix and electronic format as necessary.) Include description of data format (headings, units, etc.).
- Details of any savings or baseline adjustments that may be required.
- Detail energy and water rates used to calculate cost savings. Provide post-acceptance performance period energy and water rate adjustment factors.
- Detail proposed savings for this energy conservation measure for post-acceptance performance period. Include table - Proposed Annual Savings for Each ECM.

Operations and Maintenance Cost Savings

- Provide justification for O&M cost savings. Describe how savings are generated. Detail cost savings calculations.
- Provide post-acceptance performance period other cost savings adjustment factors.

Details of other savings (if applicable)

- Provide justification for cost savings. Describe how savings are generated. Detail cost savings calculations.
- Provide post-acceptance performance period other cost savings adjustment factors.

Post-Installation M&V Activities

- Describe the intent of post-installation verification activities, including what will be verified.
- Describe variables affecting post-installation energy or water use. Include variables such as weather, operating hours, set point changes, etc. Describe how each variable will be quantified, i.e., measurements, monitoring, assumptions, manufacturer data, maintenance logs, engineering resources, etc.
- Define key system performance factors characterizing the post-installation conditions such as lighting intensities, temperature set points, etc.
- Define requirements for The Town witnessing of measurements if different than whole project data requirements.

- Provide details of post-installation data to be collected, including: Parameters to be monitored, Details of equipment to be monitored (location, type, model, quantity, etc.), Sampling plan, including details of usage groups and sample sizes, Duration, frequency, interval, and seasonal or other requirements of measurements, Monitoring equipment to be used, Installation requirements for monitoring equipment, Calibration requirements/procedures, Expected accuracy of measurements/monitoring equipment, Quality control procedures to be used, Form of data to be collected (.xls, .csv, etc.), Sample data collection forms (optional)
- Detail data analysis to be performed.

Post-Acceptance Performance Period Verification Activities

- Describe variables affecting post-acceptance performance period energy or water use. Include variables such as weather, operating hours, set point changes, etc. Describe how each variable will be quantified, i.e., measurements, monitoring, assumptions, manufacturer data, maintenance logs, engineering resources, etc.
- Define key system performance factors characterizing the post-acceptance performance period conditions. Include factors such as comfort conditions, lighting intensities, temperature set points, etc.
- Describe the intent of post-acceptance performance period verification activities – what will be verified.
- Provide detailed schedule of post-acceptance performance period verification activities and inspections.
- Define requirements for The Town witnessing of measurements if different than whole project data requirements.
- Provide details of post-acceptance performance period data to be collected, including: Parameters to be monitored, Details of equipment to be monitored (location, type, model, quantity, etc.), Sampling plan, including details of usage groups and sample sizes, Duration, frequency, interval, and seasonal or other requirements of measurements, Monitoring equipment to be used, Installation requirements for monitoring equipment, Calibration requirements/procedures, Expected accuracy of measurements/monitoring equipment, Quality control procedures to be used, Form of data to be collected (.xls, .csv, etc.), Sample data collection forms (optional)
- Detail data analysis to be performed.
- Define O&M and repair reporting requirements. Detail verification activities and reporting responsibilities of The Town and contractor on operations and maintenance items. Define reporting schedule.

ENERGY STAR: For each building included in the project, ESCO will provide a Portfolio Manager rating. Also, for applicable buildings, ESCO includes the cost to provide services and complete the annual application for a building ENERGY STAR label. ESCO shall provide a Portfolio Manager rating and energy performance target score estimate. For each eligible building, ESCO shall provide a pre-retrofit Energy Performance Rating using EPA ENERGY STAR's Portfolio Manager, the weather normalized energy intensity in kBtu/SF, and an estimated post-retrofit Energy Performance Rating. If the building type is not eligible

for rating in Portfolio Manager, then the normalized source EUI will suffice. ESCO shall provide a completed Cash Flow Opportunity Calculator (CFO Calculator) for the project, with variables inserted that represent the most likely options available to the customer. This will enable the ESCO and the customer to have an agreed-upon format for discussing project financing options and the potential costs of project delays. The CFO Calculator will be provided in both hard copy and electronic format, so that the agency can run its own analyses on financing options in the agreed format. ESCO will submit a completed Cash Flow Opportunity spreadsheet using the Cash Flow Opportunity Calculator (CFO Calculator) for the total project which shall include all facilities to be improved.

EXHIBIT D
Cost and Pricing for IGA Development

Where a prior RFP required cost and pricing information, the response is repeated below or else negotiated with respect to the agreed maximums.

The Town may choose to accept audit costs, markups, margins and fees proposed by ESCO for individual projects without further negotiation, provided they do not exceed the maximums established in the tables above, or directly negotiate with ESCO for reductions as dictated by individual facility or project requirements. ESCO may also propose lower audit costs, markups, margins and fees depending upon individual project considerations or their own internal business approach.

Cost Markups

Provide your company’s markups in the table below for each category listed. Markups represent a percentage added to the base cost for the project (excluding the cost of the audit).

This format is required and must be completed in its entirety. Use only the categories shown.

Ranges for markups are not acceptable.

Clearly describe how self-performed work will be charged (billed hourly, billed as a markup of equipment and labor costs, etc.). If self-performed work will be billed hourly, include markups proposed to be applied to the hourly rate.

Construction Costs	<i>Maximum Markup above actual costs (if any)</i>
Subcontractor Costs (Contractor Costs to ESCO)	<i>+ 10% profit & +10% overhead</i>
Other Direct Purchases of Equipment, Material, Supplies by the ESCO (do not include subcontractor supplied purchases as they should be included above)	<i>+ 10% profit & +10% overhead</i>
Design (state at right whether this shall be completed by the ESCO or subcontracted)	<i>+ 10% profit & +10% overhead</i>
Project Management (state at right whether this shall be completed by the ESCO or subcontracted)	<i>Done by the ESCO</i>
Commissioning (state at right whether this shall be completed by the ESCO or subcontracted)	<i>Done by ESCO & subcontract</i>
Training (state at right whether this shall be completed by the ESCO or subcontracted)	<i>Done by the ESCO & product manufacturers representative</i>
Construction Measurement and Verification (state at right whether this shall be completed by the ESCO or subcontracted)	<i>Done by the ESCO</i>
Permits (markup allowed only if permits are acquired by ESCO)	<i>+ 10% profit & +10% overhead</i>
Performance Bond	<i>+ 10% profit & +10% overhead</i>

Project Margins

In the table below provide the margins that will be applied to the project. Margins represent the percentage of the total price.

Project Margin	Maximum % Margin
Overhead Percent	10
Profit Percent	10

If a proposal is from a joint venture partnership, include proposed maximum allowable markups in the schedule format above for each participating company.

Audit Fee

Below is the fee to conduct the Investment Grade Audit and Project Development Proposal, on a cost per square foot basis and total price.

		Proposed Max cost per sf
	Investment Grade Audit and	\$0.05/sf
	Project Proposal	Total \$32,000

Other Fees

For each category describe how that annual cost is determined, how the fee is charged to the project and when it is applied. Markups on fees are not allowable under the SEO/EPCP.

Annual Cost Category	How Price is Determined	Years Applied (One-time, Annual, etc.)
Warranty	Warranty costs are carried in our subcontractor quotes	One time
Post-Retrofit Measurement & Verification	Determined by methodology chosen, audits per year, data logging or trending needed.	Annual and determined by customer
Maintenance	Depends on frequency of site visits, technical needs of equipment, training needs. This will be reviewed and mutually negotiated.	Annual and determined by customer
Other:		
Other:		
Other:		

Contingency

Describe your company’s typical level of contingency budget for lighting, electrical, mechanical, controls projects, and other projects and how it proposes to apply contingency to cover changes in work scope and subcontractor change orders. All unused contingency funds will revert to the Town or be applied to additional work scope through a change order approved by the Town.

Contingency is usually carried at 4% of the installed costs and any unused contingency will revert back to the Town.

EXHIBIT E
Pricing for Project Proposal Development

The schedule below is a deliverable that summarizes the pricing structure and the proposed project costs and price. Note that the base construction costs are presented in terms of margins for the purpose of the project proposal development, whereas they are represented as markups in **Exhibit D: Pricing for Project Proposal Development** for use in developing the IGA.

		Project Budget	<i>Percent of Total Project Price</i>	<i>Price/ Cost</i>
		Base Construction Costs		
	a	Subcontractor Costs (Contractor Costs to ESCO)		
	b	Other Direct Purchases of Equipment, Material, Supplies (Supplier Costs to ESCO)		
	c	Design		
	d	Project Management		
	e	Permits		
	f	Performance Bond		
	g	Commissioning		
	h	Training		
	i	Construction Measurement and Verification		
sum (a:i)	j	Sum Project Direct Costs		
	k	Overhead Percent		
	l	Profit Percent		
Sum (j:l)	m	PROJECT PRICE SUB TOTAL w/OH &P		
	n	Investment Grade Audit and Project Proposal		
	o	Contingency		
	p	Third Party Consultant Fee	2%	
Sum (m:p)	q	TOTAL PROJECT PRICE		

Annual Costing

Provide a price for all annual services not included above including but not limited to Warranty, Measurement and Verification, and Maintenance below.

CATEGORY OF ANNUAL COST	How Price is Determined	Years Applied (One-time, Annual, etc.)
Warranty		
Measurement and Verification		
Maintenance		
3 rd Party M&V Review		
Other: _____		

**AGREEMENT
TOWN OF COLCHESTER
AND
CELTIC ENERGY, INC.**

THIS AGREEMENT made this 8th day of December, 2011 by and between the TOWN OF COLCHESTER (here in after referred to as the Town) located at 127 Norwich Avenue, Colchester, CT 06415 and CELTIC ENERGY, INC. (here in after referred to as Celtic Energy, Inc.), located at 701 Hebron Avenue Glastonbury, CT 06033.

WHEREAS, CELTIC ENERGY, INC. is in the business of providing energy performance consulting services as set forth in this Agreement; and

WHEREAS, the Town of Colchester desires that Celtic Energy, Inc. provide energy performance consulting services as set forth in this Agreement; and

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement the parties hereto mutually agree as follows:

TERM OF AGREEMENT: this Agreement shall be in effect for the PERIOD December 8, 2011 to December 31, 2013 unless terminated under terms set forth herein.

SCOPE OF SERVICES: Celtic Energy, Inc. will provide the following services:

Celtic Energy will provide Owner's Representative Consulting services concurrent with the progress of Colchester's project development. The following tasks will be completed:

Phase 2a:

1. Assist the 'selection committee' in communicating Town ESPC efforts to date, including ESCO solicitation and selection process; discuss merits of Honeywell proposal to interested parties.
 - 1.1 **Deliverables:** Meet and present results to Town regulatory boards: Board of Selectman; Board of Education; and Board of Finance, ensuring members are comfortable with the process prior to developing IGA agreement; describe solicitation efforts to date; speak to selection of Honeywell and the proposal they tendered.
 - 1.2. **Deliverables:** Convey ESPC details to Bond Counsel through meetings and/or emails (as required).
2. Assist in the negotiation of the Investment Grade Audit (IGA) Agreement.

- **2.1 Deliverables:** Review proposed IGA agreement; assist in any changes in scope, addition of buildings, incorporation of ECMs from losing proposals, schedule, ESCo IGA fees, etc. *The agreement is to allow the selected ESCo to conduct an Investment-Grade Audit (IGA). The IGA confirms the information presented in their initial proposal and develops the Energy Conservation Measures (ECMs). CEI will assist Colchester to ensure that the ESCo complies with the requirements of the IGA, as set out in the RFP and IGA agreement.*
 - **2.2 Deliverables:** CEI will also help prepare agenda briefs and meet with Town and School Board representatives along with ToC staff to help secure approval of contracts. *After the agreement is executed, the ESCo will begin the IGA. It is important to note that from this point forward, the Town owns all of the products of the ESCo's work (if a final contract is awarded), and the ESCo's costs for its work are recoverable in the Project implementation price. This means that the Town may bear the burden of further development costs of the Project, so proper planning, including setting and enforcing of milestones becomes even more important.*
- 3.** Prepare for and attend IGA Kick-Off Meeting, discuss ECMs, M&V, logistics, etc.
- **3.1 Deliverables:** CEI will assist Colchester in planning and facilitating the IGA Kickoff meeting. The purpose of this meeting is to introduce new staff, to review any changes to the scope of the Project such as expanding the scope to the rest of the Town's buildings, to discuss Colchester's and the ESCo's requirements and procedures for the IGA, and to establish timelines and milestones for Project development, including baseline metering efforts.
- 4.** Facilitate Bi-Weekly Conference Calls to Review IGA progress (Assume 120 day IGA period). *This is also the time to discuss the details of the M&V strategies and the establishment of an energy baseline to use for measurement of savings and for meeting contract requirements.*
- **4.1 Deliverables:** Participate in bi-weekly calls/meetings to track progress of the IGA; review meeting minutes as required.
 - **4.2 Deliverables:** Review ESCO's proposed scope of work, energy savings calculations, and baseline development strategies, etc.
 - **4.3 Deliverables:** Set expectations for IGA content requirements for each (interim) submission stage. *Facility descriptions, utility and cost summaries, baseline development (30%); preliminary ECM development (60%), and so forth.*
 - **4.4 Deliverables:** Provide witness testing of baseline development metering efforts and data retrieval – spot check metering placements and data results.
- 5.** Attend interim review meetings at 30%, 60%, 90% and Final IGA completion.
- **5.1 Deliverables:** Attend interim review meeting at 30%, 60%, 90% efforts and Final IGA completion. *It is important that several interim meetings are held to review the progress of the ESCo's IGA development. These meetings*

typically cover baseline development, technology review, input from operations and maintenance staff, etc.

- **5.2 Deliverables:** Review ESCO meeting minutes to ensure the capture of salient discussion points, agreed upon and concurrence details.

6. Review Draft and Final IGA submissions.

- **6.1 Deliverables:** Once each of the 30%, 60%, and 90% Draft IGAs are completed, Celtic Energy will conduct a detailed analysis of the report; prepare a list of questions, and clarifications for the ESCo to address. We will also review Colchester's comments, and combine them with ours to submit to the ESCo. We will follow-up with the ESCo until all of the questions have been answered to the satisfaction of CEI and Colchester and make certain the prescribed changes are reflected in the next (progress) report submission.
- **6.2 Deliverables:** Celtic Energy will also check and independently run Honeywell's energy simulation models for the Baseline and ECM savings to verify their accuracy.
- **6.3 Deliverables:** CEI will evaluate the performance measurement strategies to ensure that the appropriate level of rigor and accuracy is used to protect the Town and fulfill the intent of the contractual requirements. *The development of a valid energy baseline and an appropriate M&V strategy is fundamental to the overall viability of the project. One or more of CEI's Association of Energy Engineers (AEE)-accredited Certified Measurement & Verification Professionals (CMVP) will review the parameters and measurement strategies to determine if they are in line with appropriate measurement and verification (M&V) protocols and guidelines published by the International Performance Measurement and Verification Protocol (IPMVP) for each piece of equipment and/or system, without unnecessarily burdening the project with extra costs.*
- **6.4 Deliverables:** CEI will evaluate the risk and cost of the performance measurement strategies according to the methodology described in the M&V Guidelines.
- **6.5 Deliverables:** Once the Final IGA is submitted, Celtic Energy will conduct a brief analysis of the report to ensure all questions and clarifications from the Draft were addressed.

This point is a natural break in the ESPC project process. If Colchester does not proceed to contract with the ESCo, our services would end at this point. Phase 2b services will be considered optional. If Colchester does move forward with a successful IGA to executing an Energy Services Agreement (ESA), the Phase 2b services can be added to our existing contract.

Phase 2b:

- 7. Assist Colchester negotiate and execute the Energy Services Agreement (ESA) which accepts the project and directs the ESCO to implement of the approved scope of work.**

- 7.1 **Deliverables:** Assist Colchester in final price and contract negotiations with Honeywell.
 - 7.2 **Deliverables:** Review proposed ESA; assist in making any final changes due to negotiations.
 - 7.3 **Deliverables:** CEI will also help prepare agenda briefs and meet with Town and School Board representatives along with ToC staff to help secure approval of contracts.
 - 7.4 **Deliverables:** Provide same with respect to Bond Council (as required).
- 8.** CEI will assist Colchester and the ESCo secure grants for the energy conservation program.
- 8.1 **Deliverables:** Assist in all matters pertaining to securing available grants and utility funding. Review applicable utility rebate offering to ensure ESCO has maximized incentive potential.
- 9.** Engineering and Economic Analysis, Reviews or Inspections during project design and construction phases.
- 9.1 **Deliverables:** CEI will provide supporting quality assurance (QA) services during the project design phase as well as general project oversight services during construction to ensure that the project is designed and built as desired by the Town. CEI will carefully review the submittals of designs, equipment and performance specifications and installation plans to ensure compliance with the ESCo proposal and State requirements.
 - 9.2 **Deliverables:** CEI will assist Colchester in developing an agenda for the Post-Award conference. The objectives will be to establish roles, responsibilities, expectations, timelines, and communication and site access protocols and the submittal review process. At the Post-Award Conference, CEI will ensure that proper arrangements have been made for regular inspections, commissioning, testing and balancing, training, acceptance criteria, operations and maintenance requirements; and that measurement and verification guidelines are met. CEI will assist the Town in the development of the format for construction reports such as; progress reports, inspection reports, commissioning and test and balance reports, acceptance reports and punch-lists specifically related to performance contracting issues during the construction process.
 - 9.3 **Deliverables:** During construction, CEI will perform periodic monitoring of the work progress to ensure that milestones are met and the installed equipment meets performance specifications and the necessary reports are completed. In addition, CEI will assist with the review change orders and modifications to the specifications that are in the best interest of Colchester.
 - 9.4 **Deliverables:** CEI will also act as an objective third party to make unbiased recommendations for fast and fair resolution to any project related issues that might arise during the design and/or construction phase. CEI will work closely assisting Colchester and the construction teams to ensure that the project is completed on time and within budget.
- 10.** Operations and Maintenance Strategies to Ensure Persistence of Savings

- **10.1 Deliverables:** Proper operations and maintenance (O&M) strategies for energy and water conservation projects are very important for persistence of savings and equipment operation. It must combine the manufacturer's recommended O&M requirements for warranty and the ESCo's O&M requirements for performance. CEI will assist Colchester in ensuring the ESCo develop this combined O&M manual, training, and the necessary O&M documentation and reports necessary to ensure compliance. It is very important that all of the items in each set of requirements be included in Colchester's O&M manual and that the proper recording of activities take place in order to avoid disputes during the contract period.
- **10.2 Deliverables:** CEI will assist Colchester in ensuring the ESCo prepares and presents a series of custom training sessions for Colchester personnel on the exact technologies that are installed as part of the project. CEI recommends that these sessions occur near completion of the project, preferably during the project's commissioning process, then again after 90 days of operation, then at least two more times during the first three years after project implementation. Facility engineers, system operators and maintenance staff should attend these sessions. In addition, representatives from the equipment manufacturers and the ESCo should be in attendance to answer questions and provide appropriate technical support. If the operators are not "tuned-in" to the energy conservation practices, the project will be less successful and savings will deteriorate over time.

11. Project Acceptance and Periodic Measurement & Verification of Energy Savings

- 11.1 Deliverables:** Upon notification from the ESCo that all ECMs are installed and the project is completed, CEI will assist Colchester in performing the verification inspection of the equipment, of the operation, of the construction closeout reports and final submittals to ensure compliance with the contract and with Colchester's requirements.
- 11.2 Deliverables:** CEI will assist Colchester in the preparation of any final punch lists; in review of the final M&V plan, the facility use, and energy baselines; in the examination of the M&V monitoring equipment to determine if it has been installed, calibrated and is operating as required; and to accurately measure and report energy use parameters.
- 11.3 Deliverables:** Once project systems and equipment are on line, CEI will review the monitored data during the first month of operation to ensure that all systems are operating as expected and the necessary M&V parameters are being generated and logged.
- 11.4 Deliverables:** During the first year of operation, CEI will review the quarterly performance and/or M&V reports and ESCo invoices to Colchester to ensure that the energy savings persist or if there are issues that they are identified early on for resolution.

12. Future Additional M&V Services (Phase 3): CEI is also proposing to assist Colchester with post project implementation annual reviews of the ESCo's M&V Reports, with baseline adjustments (if warranted), or with other

performance contract issue for the term, up to 15 years, of the contract period, in addition to our base services. However, since we are unsure of the full scope of the work at this point, we propose to provide Colchester with a separate fee proposal towards the end of the IGA development phase, when we understand the final composition of the ECMs and M&V Plans in effect at the time. This method will protect both Colchester and Celtic Energy from over or underestimating the value of these important services at this early stage of the project.

PAYMENT SCHEDULE: In full consideration of all services to be rendered by Celtic Energy, Inc. to the Town of Colchester, for the term of this Agreement, the Town of Colchester agrees to pay Celtic Energy, Inc. the all-inclusive sum of \$122,000. This amount has been separated into a two phased payment schedule.

The fee for Phase 2a section of the Performance Contract process will be \$61,000. At the request of the Town of Colchester, this fee has been separated into two distinct payments; the first \$34,800 will be paid initially to CEI. The remainder of the fee, \$26,200, will be deferred until the Town receives financing for the project. Phase 2a (Tasks 1-6) provides technical consultation services through the delivery of the full IGA, inclusive of all preparatory, and review functions associated with the work scope.

Phase 2b (Tasks 7-11) provides a natural break in that if the Town wished not to pursue installation of the recommended work scope, follow-on services would no longer be required and the fees for 2b, including the deferred \$26,200 from 2a would not be owed. The fee for Phase 2b, which is inclusive of all Post-IGA Acceptance Services equals \$61,000. After combining this amount with the deferred Phase 2a fee of \$26,200, the final fee will be \$87,200.

INVOICE DUE ON MONTHLY BASIS: Celtic Energy, Inc. will submit invoices for services rendered on a monthly basis. The invoice shall include a statement for the billing period showing the percentage of the project completed, the types of services rendered, and the fees payable.

Payment to Celtic Energy, Inc. shall be made within thirty (30) days from receipt of invoice unless the Town notifies Celtic Energy, Inc. of a disagreement regarding the invoice. The Town shall give Celtic Energy, Inc. notice of any invoice dispute within twenty (20) days of its receipt and reserves the right to withhold payment pending the resolution of the dispute. Failure to dispute an invoice shall not be deemed as an acceptance by the Town of said invoice and does not act as a waiver of the Town's rights or prevent the Town from availing itself of any remedy or course of action(s) it has at law or in equity at a later date.

INDEPENDENT CONTRACTOR: All employees of Celtic Energy, Inc. shall be deemed employees of Celtic Energy, Inc. for all purposes and Celtic Energy, Inc.

alone shall be responsible for their work, personal conduct, direction and compensation. Celtic Energy, Inc. acknowledges that it will not hold itself, its officer's employees and/or agents out as employees of the Town of Colchester. Celtic Energy, Inc. understands and acknowledges that it is retained by the Town of Colchester only for the purposes and to the extent set forth in this Agreement and its relationship to the Town, shall during the period of its services hereunder, be that of an independent contractor. Neither Celtic Energy, Inc. nor its employees shall be considered as having employee status and shall not be entitled to participate in any of Town of Colchester's employee benefit programs including but not limited to: Social Security, Medicare, Worker's Compensation, retirement fringe benefits, unemployment insurance, liability insurance, and disability insurance. Similarly, Celtic Energy, Inc., its officers, its employees, and/or agents shall not be considered as having employee status for the purposes of any other rights, privileges or benefits derived from employment with the Town of Colchester. Celtic Energy, Inc. agrees that this Agreement does not offer benefits of any nature whatsoever upon it other than payment for services provided herein. Celtic Energy, Inc. shall not assert any claim for additional benefits of any nature, including, but not limited to, unemployment compensation benefits, by reason of the services to be performed pursuant to this Agreement. Celtic Energy, Inc. shall not be entitled to assert any claim to entitlements pursuant to any collective bargaining Agreement now or hereafter in effect between the Town of Colchester and its employees.

INCOME TAX DESIGNATION AND INDEMNIFICATION: The Town of Colchester shall not withhold from sums payable to Celtic Energy, Inc. under this Agreement any amounts for Federal, state or local taxes including income and employment taxes (i.e. Social Security, Medicare and unemployment compensation) unless required to do so by Federal or state law or legal garnishment. Celtic Energy, Inc. agrees that any tax obligation of Celtic Energy, Inc. arising from the payments made under this Agreement will be Celtic Energy, Inc.'s sole responsibility. Celtic Energy, Inc. will indemnify the Town of Colchester for any tax liability, interest and/or penalties imposed upon the Town of Colchester by any taxing authority based upon the Town of Colchester's failure to withhold any amount from the payments for tax purposes.

Examination of Financial Records: The Town shall have the right, upon request, to examine any and all financial records maintained by or on behalf of Celtic Energy, Inc. that pertain to the services provided by Celtic Energy, Inc. pursuant to this Agreement.

TERMINATION NOTICE: Except as provided for below, this Agreement may be terminated by either party upon thirty (30) days written notice to the other party. In the event of such termination, the parties will adjust the amounts due and payable to Celtic Energy, Inc. to reflect services rendered up to the date of notice of termination of the agreement Celtic Energy, Inc. will not incur any additional expenses upon receipt of the Town of Colchester's notification that Celtic Energy, Inc.'s services have been terminated. Upon any such termination, the parties shall endeavor in an orderly manner to wind down activities hereunder. In the event of

termination, all reports and services due to the Town of Colchester shall be completed by Celtic Energy, Inc. within (30) days of the termination date.

This Agreement may be terminated by the Town in the event of a material breach of agreement by Celtic Energy, Inc. upon three (3) days written notice from the Town to Celtic Energy, Inc.

CONFIDENTIALITY: Celtic Energy, Inc., its employees, and/or agents agree that all information obtained in connection with the services provided under this Agreement is deemed confidential in nature. Celtic Energy, Inc., its employees, and/or agents shall not use, publish, discuss disclose or communicate the contents of such information, directly or indirectly with outside parties, except as provided for in this Agreement. Celtic Energy, Inc. further agrees that any information received by Celtic Energy, Inc., its employees/or agents during the course of the services provided pursuant to this Agreement, which concerns the personal, financial and/or other affairs of the Town of Colchester, its employees, agents, and clients will be treated by Celtic Energy, Inc., its employees and/or agents in full confidence and will not be revealed to any other persons, firms or organizations without the expressed written approval of the Town. The parties further agree that the terms and conditions set forth herein shall survive the expiration and/or termination of this Agreement.

INDEMNIFICATION AND HOLD HARMLESS PROVISION: Celtic Energy, Inc. further agrees that it shall defend, indemnify and hold harmless the Town of Colchester, its officers, directors, agents and employees for all losses, costs, damages and expenses, including attorney's fees, judgments, fines and amounts paid in settlement in connection with a terminated, pending or completed action, suit or proceeding arising from any act, error or omission, misstatement, misleading statement, neglect or breach of duties by Celtic Energy, Inc. or any of its officers, directors, agents or employees taken or made with respect to this Agreement.

INSURANCE PROVISION: Celtic Energy, Inc. shall purchase and maintain from a company or companies lawfully licensed to do business in the State of Connecticut such insurance as will protect Celtic Energy, Inc. and the Town of Colchester from claims set forth below for which Celtic Energy, Inc. may be legally liable, whether such operations be by Celtic Energy, Inc. or by anyone directly or indirectly employed by Celtic Energy, Inc., or by anyone for whose acts Celtic Energy, Inc. may be liable. Notwithstanding, any terms, conditions or provisions in any other writings between the parties, Celtic Energy, Inc. hereby agrees to name the Town of Colchester as an unrestricted additional insured on Celtic Energy, Inc.'s insurance policies with the exception of Worker's Compensation and professional liability. If the policy is written on a claims-made basis, the retroactive date shall precede the date of this contract. The policy naming the Town of Colchester as an additional insured shall:

Be purchased from an A.M. best rated "secured" insurer, authorized to conduct business in the State of Connecticut.

Contain a 30-day notice of cancellation of coverage.

State that Celtic Energy, Inc.'s coverage shall be primary coverage for the Town of Colchester and its employees.

The Town of Colchester shall be listed as an additional insured by using endorsement CG 20101185 or equivalent. The certificate must state that this endorsement shall be included with the "Certificate of Insurance."

Celtic Energy, Inc. agrees to indemnify the Town of Colchester for any applicable deductibles.

REQUIRED INSURANCE: Commercial/ General Liability Insurance \$1,000,000 per occurrence/\$2,000,000 annual aggregate.

AUTOMOBILE LIABILITY: \$1,000,000 combined single limit for owned, hired and borrowed and non-owned motor vehicles.

WORKER'S COMPENSATION AND THE STATE OF CONNECTICUT

DISABILITY: Statutory Worker's Compensation, employer's liability and the State of Connecticut disability benefits insurance for all employees.

PROFESSIONAL ERRORS AND OMISSIONS INSURANCE: \$500,000 per occurrence/\$500,000 aggregate for the professional acts of Celtic Energy, Inc. performed under the contract with the Town of Colchester. If written on a "claims-made" basis, the retroactive date must pre-date the inception of the contract or Agreement. Coverage shall remain in effect for two (2) years following the final completion of all work.

In the event that any of the insurance coverages to be provided by Celtic Energy, Inc. contain a deductible, Celtic Energy, Inc. shall indemnify and hold the Town of Colchester harmless from the payment of said deductible, which deductible shall in all circumstances remain the sole obligation and expense of Celtic Energy, Inc.

Celtic Energy, Inc. shall provide the Town of Colchester with evidence of the above insurance requirements at the time of execution of the written Agreement. Celtic Energy, Inc. further acknowledges that its failure to obtain or keep current the insurance coverage required by this Agreement shall constitute a material breach of contract and shall subject Celtic Energy, Inc. to liability for damages including, but not limited to, direct, indirect, consequential, special and any other damages the Town of Colchester sustains as a result of this breach. In addition, Celtic Energy, Inc. shall be responsible for the indemnification to the Town of Colchester of any and all costs associated with such lapse in coverage including, but not limited to, reasonable attorney's fees.

Prior to commencement of its services, Celtic Energy, Inc. shall obtain and pay for insurance as may be required to comply with the indemnification and hold harmless provisions outlined under this Agreement.

NOTICES: Any notices to be given under this Agreement by either party to the other may be effectuated by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Each party may change their address by giving written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual date of receipt; mailed notices will be deemed communicated as of two days after mailing.

Notices shall be delivered or mailed to:

Celtic Energy, Inc.
701 Hebron Avenue
Glastonbury, CT 06033

First Selectman
Town of Colchester
127 Norwich Avenue
Colchester, CT 06415

ASSIGNMENT OF CONTRACT: Celtic Energy, Inc. shall not Sublet, transfer, assign or otherwise dispose of this contract or any portion thereon or of their right, title or interest therein, or of their obligations there under, without the written consent of the Town.

DISCRIMINATION: Celtic Energy, Inc. warrants that the services they provide to the Town pursuant to this Agreement shall be provided without regard to race, creed, color, sex, sexual orientation, national origin, religion, age or disability.

GOVERNING LAW: This Agreement shall be governed by the laws of the State of Connecticut.

SEVERABILITY: If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement not so held shall remain in full force and effect.

NO PRIOR AGREEMENTS: This Agreement constitutes the full and complete Agreement between the Town of Colchester and Celtic Energy, Inc., and as such, it supersedes all prior written and oral Agreements, commitments or understandings with respect thereto. This Agreement may not be altered, changed, added to, deleted from or modified in anyway except through the mutual written consent of both the Town and Celtic Energy, Inc.

AGREEMENT CONSTRUCTION: This Agreement has been arrived at mutually and is not to be construed against any party hereto as being the drafter hereof or causing the same to be drafted.

REPRESENTATIONS AND WARRANTIES: Celtic Energy, Inc. represents and warrants: 1) that Celtic Energy, Inc. has no obligations, legal or otherwise, inconsistent with the terms of this Agreement; 2) that the performance of the services to be provided in this Agreement does not and will not violate any applicable law, rule or regulation or any proprietary or other right of any third party; and 3) that Celtic Energy, Inc. has not entered into or will not enter into any Agreement (whether oral or written) which does or will conflict with this Agreement.

AMENDMENT: This Agreement may only be amended in writing and the written amendment must be signed by the authorized representatives of both parties.

NONWAIVER: No action or failure to act by Celtic Energy, Inc. or the Town of Colchester shall constitute a waiver of any right or duty afforded to them under this Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed to in writing.

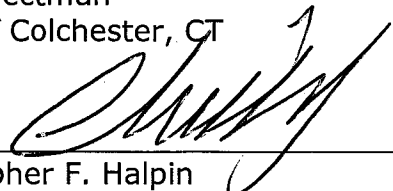
AUTHORITY TO ENTER AGREEMENT: The undersigned representative of Celtic Energy, Inc. hereby represents and warrants that the undersigned is an authorized representative of Celtic Energy, Inc. with full legal rights, power and authority to enter into this Agreement on behalf of Celtic Energy, Inc. and to bind Celtic Energy, Inc. with respect to the obligations enforceable against Celtic Energy, Inc. in accordance with its terms.

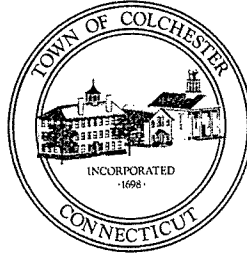
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Date: _____

By: _____
Gregg Schuster
First Selectman
Town of Colchester, CT

Date: 12/8/2011

By:  _____
Christopher F. Halpin
President
Celtic, Energy, Inc.



**N. Maggie Cosgrove
Chief Financial Officer
Finance Department**

Date: December 1, 2011

To: Board of Finance
Board of Selectmen

From: N. Maggie Cosgrove, CFO

Subject: Funding Commitment –Investment Grade Audit with Honeywell

Background

At a joint Board meeting on November 17, 2011, the BOF, BOS and BOE agreed conceptually to move forward with an energy services investment grade audit of all Town/BOE facilities to be performed by Honeywell. The purpose of the audit is to determine the feasibility of entering into an Energy Savings Performance Contract to provide for installation and implementation of energy and water saving measures at Town/BOE facilities.

If energy and water saving measures are determined to be feasible and the amount of the savings is reasonably sufficient to cover all costs, then the Town/BOE would then decide whether to enter into an Energy Savings Performance Contract with Honeywell. If the Town does not enter into a contract with Honeywell, then the Town will be obligated to pay a sum not to exceed \$.05 per square foot to be audited. The maximum amount has been determined to be \$32,280. If the Town does enter into a contract with Honeywell (within the time period set forth in the contract for the Investment Grade Audit), the Town will have no payment obligations for the investment grade audit, but the fee will be incorporated into the Energy Savings Performance Contract and paid through the contract's funding mechanisms. (Refer to Item 2 Compensation to ESCO of the proposed Investment Grade Audit and Project Proposal Contract).

Recommendation

Due to the timelines incorporated into the contract and the uncertainty as to whether the Town will be required to make a separate payment for the Investment Grade Audit and whether that payment would be made in the current or subsequent fiscal year, it is recommended that both the BOS and BOF approve a commitment of General Fund fund balance in the amount of \$32,280 for this specific purpose in lieu of approving an appropriation of funds at this time.

In accordance with Governmental Accounting Standards Board Statement #54 Fund Balance Reporting and Governmental Fund Type Definitions, *Committed fund balance* includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, and may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.