

CITY OF MONTPELIER
CAPITAL CITY OF VERMONT

City Manager's Weekly Report – 2/26/10

UPCOMING MEETINGS ...

- ❖ **Development Review Board Meeting:** Monday, March 1st, at 7:00 P.M. in the City Council Chambers.
- ❖ **Montpelier Business Association Meeting:** Wednesday, March 3rd, at 8:00 A.M. in the Memorial Room.
- ❖ **enVision Steering Committee Meeting:** Thursday, March 4, 2010, at 5:30 P.M. in the City Manager's Conference Room.
- ❖ **"Current Events" Meeting:** Gwen scheduled this meeting for Thursday, March 4th, at 6:30 P.M. in the Memorial Room.

ENCLOSURES ...

- ✓ Copy of a memo from the City Clerk regarding Catering Permits
- ✓ STATEMENT OF PROJECT OBJECTIVES ... Montpelier Community Renewable Energy Project

STATUS REPORTS ...

Anti-Vermont Yankee Banner:

Some questions have been raised about the Anti Vermont Yankee banner that was stretched across State Street on Wednesday. Banners like that are not allowed, this banner did not have permission from the owners of the buildings to which it was affixed. The city removed the banner on Thursday morning.

We were contending with a major storm on Wednesday, lots of police and ambulance calls, DPW was out straight. This was a low priority safety issue. There was also a presumption that the property owners – if they didn't give permission – would remove it themselves or ask for assistance with removing the banner. There was no call from them to the Police Department with either a complaint or request for help in removing the signs.

Based on observations and citizen's complaint, the zoning administrator, police and Attorney Giuliani were asked about the legality of the sign and whether the city could act on its own to remove it (as opposed to ordering either the responsible parties or the building owners to do so).

By 9 AM on Thursday morning we had determined that the signs were illegal and had permission from both property owners to take the signs down. This issue was prioritized in line with the storm conditions and activity that was going on, city staff took the time to consult with the attorney, police, zoning administrator and property owners before using city resources to take the sign down.

River Ice Assessment:

The warm rain has helped melt away a lot of the ice that existed. While there are some residual freeze up areas, we now consider the river to be in a low risk status.

Farmers Market:

Reminder that I included the draft lease in last week's packet. Please let me know if you have any concerns with it, otherwise it will be on the consent agenda on March 10th.

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District Heat:

As a grant requirement from the Department of Energy, the city must provide a Statement of Project Objectives. A copy of that statement is included.

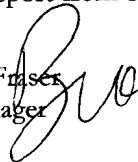
Sidewalks:

During the heavy storm this week, 3 of our 4 sidewalk plows experienced mechanical problems; therefore, sidewalks weren't cleared as extensively as they would have been. The crew doubled up on use of the remaining plow, deployed blowers and has at least one of the downed plows back in action. They think they have essentially caught up to where they expected to be with sidewalk clearing. We understand that there was some frustration and appreciate people's patience.

Upcoming Meetings:

March 2	Annual City Meeting Elections
March 10	Election of Officers Rules of Procedure Ethics Policy Operations Overview (open meetings, public records, etc.) Berlin Pond (with Attorney Giuliani) Set date for goals meeting
March 24	
April 14	58 Barre Street (report from committee)

William Fraser
City Manager





CITY OF MONTPELIER

Charlotte L. Hoyt, City Clerk & Treasurer

City Hall – 39 Main Street

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802-223-9500

MEMORANDUM

DATE: April 4, 2009
Revised January 6, 2010

TO: City Manager Fraser
Mayor Hooper & City Council Members

FROM: Charlotte L. Hoyt, City Clerk & Treasurer

SUBJECT: Catering Permits

At an earlier council meeting the council was looking for information on different avenues for processing catering permits.

Catering permits should be submitted at least fifteen (has been changed to five) day prior to an event. However caterers are not always contacted that far in advance by prospective customers. Presently catering permits are placed on the consent agenda for approval. If catering permits are received in between council meetings we have been polling the council for their approval and ratification is done at the next council meeting.

I have spoken with several other clerks with the following responses. The City of Burlington has a separate committee made up of council members that handle all liquor related issues for the City of Burlington. In South Burlington the council has appointed the City Manager to act on their behalf for catering permits. In the City of Barre the catering permits are approved by the City Council and that is how most communities handle catering permits.

It would be my suggestion that the City Council acting as the Local Liquor Control Commission could set up guidelines and authorize the City Manager or the City Clerk to act on their behalf. This would cut down on the number of calls that would need to be made on catering permits in between meeting and they would not need to appear on the consent agenda.

The other option would be to appoint a council person, who would act on the council's behalf to review the catering permits as the were received by the city clerk's office.

**City of Montpelier
Montpelier Community Renewable Energy Project**

STATEMENT OF PROJECT OBJECTIVES

A. PROJECT OBJECTIVES

Vermont's Capital City, Montpelier, is deeply committed to leading the region and the nation in implementing replicable strategies to deploy renewable energy technologies and reduce its carbon footprint. The City has committed to a goal of reducing greenhouse gas emissions and fossil fuel consumption by the City, its citizens and its business community by at least 80% by 2030. The energy plan the City has adopted includes residential and commercial energy efficiency improvements, renewable energy generation, transportation alternatives, bicycle and pedestrian improvements, and a new multi-modal transit facility. The City has outlined the following concrete approaches to achieve intended fossil fuel and greenhouse gas reductions:

- To design and construct a state of the art biomass-fueled district energy system that will provide clean, efficient production of renewable, sustainable, biomass energy for heat and electric power for Montpelier's downtown buildings. This system will be:
 - Designed and built in partnership with the State of Vermont, the Biomass Energy Resource Center and Veolia Energy ;
 - Complementary of the existing, but dated, system that currently provides the State Complex with heat;
 - Constructed with state of the art technology and equipment to maximize efficiency, minimize emissions, and ensure long-term system durability;
 - Constructed and implemented in compliance with all permits and with processes and systems that are verified and documented during construction, start-up, and commissioning in order to ensure quality, and allow for ease of replication in other communities.
- To implement a seamless delivery and financing system that encourages property owners to undergo energy retrofits, and install renewable energy technologies where appropriate, so that by 2015:
 - 50% of Montpelier's homes will have implemented deep energy retrofits;
 - 50% of the buildings in the designated downtown will have undergone energy retrofits and be positioned to make maximum use of the district energy system;
 - Property owners seeking to install renewable energy technologies will have access to financing that can be repaid on their property tax bills.
 - State energy legislation in 2009 authorized a minimum of \$100,000 toward district energy system connection fees for businesses and homeowners

B. PROJECT SCOPE

The Montpelier Community Renewable Energy Project encompasses the design, permitting, construction, installation, financing, commissioning and operation of a state-of-the-art 41 MMBtu (1200 HP) combined heat and power district energy system fueled with primarily locally-sourced renewable and sustainably-harvested wood chips. The project will also identify and implement the optimum ownership and customer marketing and connection strategies. As properties are connected to the system, the project will also implement efficiency and conservation measures to reduce overall heat load. Finally, the project includes adoption of financing mechanisms that will enable property owners to implement a variety of efficiency measures and renewable energy strategies.

The renewable energy system will be developed by a unique public-private partnership involving City and State government, local property owners and businesses and the expertise of both a national non-profit specializing in community-scale biomass applications and an international district energy development and management firm. The CHP system will be sized to provide heating to an existing ½ million square feet of state-owned buildings in the Vermont Capitol Complex along with a planned expansion of about 240,000 square feet, City-owned properties including schools and the City Hall Complex, and up to 156 additional buildings in the community's designated downtown district, for a total of 180 buildings heating 1.8 million square feet. By also providing 1.8 million KWh of power to the grid, the system will maximize its operating efficiency and reduce thermal costs for users in the community.

Development of the system will be overseen by the City of Montpelier and its district energy system partners, the State of Vermont and Veolia Energy North America. The Montpelier-based national nonprofit, Biomass Energy Resource Center (BERC) will provide technical support. Creating district energy infrastructure that is designed to replace existing building-based systems is by its very nature an incremental process. Unlike the development of mandatory hook-up utilities such as water and sewer services, the process of obtaining user commitments requires market transformation. The project that is embodied in this application will transform the market in Montpelier from extensive dependence on fossil fuels for its heating needs into adoption of a renewable energy system that is being designed with flexibility and growth in mind. As the system is built-out over the next decade it will reach more customers within the community and produce more thermal and electrical energy. The development and operating processes will be fully documented and widely disseminated through promotion on the City's web site, tourist information displays in the community, and through presentations at sustainability and climate change mitigation strategy conferences and in writings on sustainability.

C. TASKS TO BE PERFORMED

The following Tasks will be performed to implement the project. Overall, tasks fall into two areas: construction of the Montpelier District Energy System and delivery and financing of a system that encourages property owners to undergo energy retrofits, and install renewable energy technologies where appropriate.

Task 1.0: Design, Permit, and Construct CHP system

Subtask 1.1 Complete detailed design process for all buildings, boiler systems and distribution networks;

The city's subcontractors are completing the design for the biomass plant. All the parties are working closely with the engineers at the State of Vermont to determine what the best design will be to meet their ongoing needs while expanding the facility to accommodate the needs of the City of Montpelier and the area in the downtown. An important milestone will be a plan approved by the Montpelier City Council and the State of Vermont Department of Buildings and General Services for the buildings, boiler systems, and distribution networks.

Subtask 1.2 Complete detailed design for all mechanical, electrical and plumbing requirements;

The city's subcontractors are completing the design for these components. An important milestone will be a plan approved by the Montpelier City Council and the State of Vermont Department of Buildings and General Services for the mechanical, electrical, and plumbing requirements.

Subtask 1.3 Secure remaining project funding from public and private sector sources;

The city's subcontractors are preparing a proposal for the City of Montpelier and the State of Vermont that explores the financial implications of three options: 1) City owned and operated with consultation service provided by Veolia Energy; 2) City owned with Veolia providing operations maintenance and management of the plant and system 3) Veolia owned, operated, maintained and managed 4) Joint ownership of different parts of the plant and facilities; such as Veolia and/or the State of Vermont owning the generating station and the City and/or the State of Vermont owning the distribution system.

Subtask 1.4 Secure Certificate of Public Good from the Public Service Board and all required environmental and land use permits;

The Vermont regulations for these processes will be followed. The Project will apply for a Certificate of Public Good from the Vermont Public Service Board (PSB). Other state and local reviews include Capitol Complex Commission review; Vermont Department of Environmental Conservation Air Pollution Control Permit review; and City of Montpelier flood plain review. For each, the Project will submit applications providing sufficient information regarding Project design for review and approval. Onsite construction cannot commence until approvals are received. Epsilon Associates will work closely with the State PSB to obtain the Cert of Public Good in a timely manner and provide all applications and deliverables as directed by the PSB.

Subtask 1.5 Develop Fuel Plan

The city's subcontractors are developing a fuel study and fuel procurement plan for the City of Montpelier. Once the project reaches the final design stage, the City of Montpelier will issue RFP to numerous fuel suppliers and begin the task of reviewing

qualifications and capabilities of fuel suppliers. The plan is to have a long term fuel contract in place six months prior to commercial operation.

Subtask 1.7 CHP Pre- Construction

The actual construction will begin in the pre-construction phase. If deemed necessary, the City of Montpelier will work closely with subcontractors to develop RFQ's and RFP's for the selection of a Construction Manager (CM). The purpose of the CM during pre-construction is to organize the construction documents and its proper components into a well detailed plan for execution of the construction of the plant. The Issue CM will work closely with the design Engineer to develop Major Equipment specs and drawings to enable the equipment to be put out to bid in a public forum. The CM will prepare the bid documents for all the major trades that includes:

1. Invitation to bid
2. Terms and Conditions
3. Project Schedule
4. Construction Documents
5. Bid Form

The same process will be developed for the GC by the CM. Once the GC is chosen the GC will put separate work out to individual trades for construction of the plant. The desired outcome of pre-construction is to provide structure and organization for the project to sustain execution of the project in a timely and cost efficient manner.

Subtask 1.8 Equipment procurement;

Construction Manager (or owner) will prepare detailed specifications and bid documents based on the Engineer's specifications and design. Similar to other contract documents, the documents will include the following:

1. Invitation to bid
2. Terms and Conditions
3. Schedule
4. Procurement Documents (specific to equipment)
5. Bid form

If time permits, allow the CM to contract with the suppliers to ensure there is an assignment agreement assigning the equipment to the CM (from the owner). The desired outcome is for the City of Montpelier to procure all of the equipment in a timely manner at competitive prices.

Subtask 1.9 Site Construction

Once the major equipment is procured and the CM and GC are on board, the site will be cleaned and grubbed, geotechnical upgrades (if required) will be installed. The site will be fenced, cleared and prepared for construction. The construction will entail coordinating efforts to construct the building, plant and distribution system in strict accordance with the plans and specifications set forth by the Engineer of record.

Included in the plan is to upgrade the electrical infrastructure where deemed necessary as a result of the installation of the CHP equipment. Veolia Energy will adhere to strict EH&S protocol to ensure that site runs efficiently and safely to build a world class Biomass CHP system.

Subtask 1.10 Secure interconnection agreement with Green Mountain Power/ ISO New England

An interconnection application will be submitted to Green Mountain Power due to the fact that the system is planning on paralleling and exporting to the grid. The coordination study and technical review will be performed by the Distribution and Transmission dept of Green Mountain Power. Once the application is approved by Green Mountain Power, we will consult with ISO New England to register the asset. The desired outcome is one that would allow the City of Montpelier to operate in a net metering basis to become energy independent.

Subtask 1.11 System start-up, shake-down and commissioning;

A team of highly trained staff will be assigned the duty of initial start up by the individual equipment manufacturers. Once this phase is completed, a commissioning team will take over the operation and commissioning of the plant and systems. Specific adjustments will be made, along with the development of “As Built” drawings for the final configuration of the plant. The desired outcome is a well running efficient plant that is easy to maintain and above all reliable.

Subtask 1.12 Operator training;

Each operator will be certified in the proper operation of the plant by the Plant Manager. The certification process will entail reviewing all design, operational and safety aspects of the plant. The desired outcome is to employ local operators from Montpelier with the requisite skills to run a Biomass CHP system in an efficient manner.

Subtask 1.13 Commercial operation;

At the conclusion of all of the work noted above, the plant and system will be placed into service. The goal is to have a sustainable Biomass CHP District Energy System capable of identifying Montpelier as a benchmark of sustainable development in the US.

Subtask 1.14 Documentation of all processes to encourage replication and knowledge transfer.

All of the documentation will be archived by the City of Montpelier, including “As built”, P&ID’s, operational descriptions and construction documentation in an effort to share the experience and encourage replication throughout the US.

Task 2.0 Establish a Property Assessed Clean Energy (PACE) District

Subtask 2.1 Program design

The city will work with our subcontractors on the overall program design to determine the eligibility requirements, the types of improvements that will be funded, the structure

of the district payment plans, and the process by which building owners determine the best course of action. The program will be described in detail, and meetings will be held with the City Council, the Planning Commission, local banks, and the public to gather input and feedback and finalize the program description. Once the city has adopted the program design, a ballot initiative will be prepared for a vote.

Subtask 2.2 Ballot initiative – Fall, 2010

The City Council is authorized to call a Special Town Meeting for a vote to establish the PACE District. This involves posting the meeting and holding a vote by city residents. The vote will establish the district and will authorize the additional indebtedness the city needs to provide the funding for the district improvements.

Subtask 2.3 Customer outreach

Once the district is established and the vote is taken, the city will engage in a public outreach campaign to identify the building owners who want to implement energy efficiency measures and renewable energy projects. A strong effort will be made at the outset to target building owners within the biomass plant service area to use the program for the efficiency measures they need to maximize their building's efficiency before they hook up to the plant's distribution system. Other renewable energy options that are outside the service area of the plant will also be identified and marketed to potential customers.

Subtask 2.4 Identification of qualifying measures and costs

The results from the marketing and outreach will be a pool of customers who are willing to move forward with energy efficiency and renewable energy improvements. These customers will be evaluated according to the program guidelines established by the city, and the total cost of the eligible improvements will be evaluated in light of the financial limitations of the program.

Subtask 2.5 Executing financial agreements, program implementation

Once the eligible applicants and measures have been identified, the financial agreements will be finalized, the contractors engaged, and funds will be distributed for the completion of the improvements. Since this is a property assessed program, liens will also be established on the properties where the improvements occur, and the payment schedule on the improvements will be established and integrated into the city's billing system.

Task 3.0 Project Management and Reporting

Reports and other deliverables will be provided in accordance with the Federal Assistance Reporting Checklist following the instructions included therein.

Communication, Tracking, and Reporting Plan

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

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

Risk Management and Control

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