

The Regional School District 13 Board of Education Educational Resources Committee met on Wednesday, May 29, 2019 at 5:30 PM in the Library at Coginchaug Regional High School, 135 Pickett Lane, Durham, Connecticut.

Committee members present: Mrs. Geraci, Mr. Moore, Mr. Roraback and Mr. Yamartino (arrived late)  
Committee members absent: Dr. Taylor  
Administration present: Dr. Veronesi, Superintendent of Schools and Mrs. Neubig, Business Manager

**Pledge of Allegiance**

The Pledge of Allegiance was recited.

**Public Comment**

None.

**Approval of Agenda**

*Mrs. Geraci made a motion, seconded by Mr. Roraback, to approve the agenda, as presented.*

*In favor of approving the agenda, as presented: Mrs. Geraci, Mr. Moore and Mr. Roraback.*

**Approval of Minutes - February 13, 2019**

*Mrs. Geraci made a motion, seconded by Mr. Roraback, to approve the minutes of the February 13, 2019 meeting, as presented.*

*In favor of approving the minutes of the February 13, 2019 meeting, as presented: Mrs. Geraci, Mr. Moore and Mr. Roraback.*

**ECG**

Mrs. Neubig reviewed that Jimmy Croteau and Sue Gaudreau have been working with ECG for the past year on obtaining cost savings through energy efficiencies. Representatives from ECG were at the meeting to present to the committee.

Aldo Mazzaferro, an engineer with the ECG Group, explained that he is in charge of overseeing the project. ECG is a professionally-licensed engineering firm specializing in providing owners' rep services to government agencies and school districts. The company has been around for about 15 years and has done over 100 of these projects. He is currently working with the Capital Region Education Council (CREC), Cheshire, Seymour, Waterbury, Guilford, Branford, East Haven and Derby.

Mr. Mazzaferro explained that an Energy Savings Performance Contract (ESPC) is basically a partnership between a government agency and an Energy Services Company (ESCO). Most owners use an owners' representative to manage and oversee the contract. The ESCO is a large engineering firm, like NORESKO, who was present at the meeting. They identify opportunities for energy savings and pay for them out of the guaranteed savings over time.

Their approach would be to offer no obligation or out-of-pocket costs for the district at any time. They are here tonight seeking the committee's approval to move to the next phase which is a comprehensive energy audit which will produce much more robust details. Over the last year, a preliminary energy

assessment has been done and the district issued a Request for Proposal to the ESCOs last winter. The district received three proposals and interviews were conducted and the proposals were evaluated. It was determined that NORESKO is the best partner to move forward with.

J.C. Kane, the account executive and primary contact from NORESKO, has over 20 years' experience in building technology solutions. This year, the company is celebrating 35 years and Mr. Kane explained that they are part of United Technologies Corp. (UTC). This project is guaranteed to save energy and if they do not meet that guarantee, a check will be written to the district. NORESKO has local offices in both Wallingford and Shelton and their headquarters in Westborough, MA. Most of the company's projects have been done in the Northeast and include Berlin and Southington as well as Waterbury and Stamford. They have also done projects at higher education facilities and hospitals.

Mr. Kane reviewed that their proposal is meant to complement the \$6.9 million bonding project and end-of-life critical systems have been prioritized. They are also good at expediting projects during the summer or during school breaks. Starting in 2019, Eversource increased the incentive program for upgrading LED lighting which, in this project, would be almost \$700,000.

Keith Hamlin, a project developer with NORESKO, explained that his role would be to support Mr. Kane in engineering, construction, measurement and verification and lighting teams. The proposal is for about \$4 million, based on the initial walkthroughs of the district's building. That would be funded through just over \$300,000 of savings. There are about 12 energy conservation measures (ECMs), with the lion's share being in lighting. The lighting improvements would actually fund the condensing hot water boilers and the unit ventilator and steam-to-hot-water-heating conversion which are a priority to the district.

Mr. Hamlin reviewed that the cost includes not only the equipment, but the subcontracted installation, labor, disposal and NORESKO project management. NORESKO subcontracts the mechanical installation work. Mr. Moore confirmed that the cost savings is an annual savings, but felt that the savings don't seem to catch up to the total. Mr. Hamlin explained the boilers have a \$750,000 cost, with \$100,000 of savings so it will take about seven years to pay for the boilers. The boilers should last approximately 15 years.

Mrs. Neubig explained that the district had been very clear that they would not be borrowing any money. Mr. Mazzaferro explained that once an ESCO was selected, they would be exploring different financing options. Mrs. Neubig explained that the yearly savings (based on the last 12 months of energy costs) that would have been spent on energy will be paid over the 10.8 years and includes 2 percent for inflation. Mr. Moore asked how ECG makes money and Mr. Mazzaferro explained that they get paid a percentage of the project cost.

Mr. Yamartino asked if ECG would get a fixed fee each year or if it increases every year. Mr. Mazzaferro explained that they would get paid over the project's length, at a minimum of three years. Mrs. Neubig explained that they have provided ECG with all of the district's invoices and noted that any of the work included in this process would not need to be bonded. Mrs. Geraci felt that long-term financing rules change in 2020 and she suggested that Mrs. Neubig check with the auditors. Mrs. Geraci felt that the costs would show up in the operating budget and transfer to capital once it was owned. Mr. Moore summarized that that meant the district would have the same utility costs for the next 10 years and any savings would stay with the district after that. Mrs. Neubig felt that this would allow the district to complete other projects that were not included in the bonding proposal.

Mr. Roraback asked how a total cost can be projected without knowing what brands will be purchased and Mr. Mazzaferro explained that equipment is fairly standard and they are not tied to a particular

subcontractor or brand. At this point, they would like to appoint NORESKO to proceed with an investment-grade audit and the project, including brands, would be developed after that.

Mr. Yamartino asked which items were included in the bonding and which were not. Mrs. Neubig reviewed the items that were included in the bonding and basically the exterior LED lighting and LED lighting other than Memorial were not included in the bonding. Mr. Mazzaferro explained that they bundle quick payback items to help fund the work.

Mr. Hamlin also noted that Mr. Croteau has done a great job with the Energy Management Systems and their initial findings are that there will not be a lot of savings there because the buildings are run so well. Some savings may be found during the audit, but probably minimal.

Mr. Mazzaferro reviewed that all of the buildings will be included and Mr. Yamartino asked about the number of boilers being installed. Mrs. Neubig stated that boilers will be installed at Memorial and Brewster and the high school and Strong will be converted to natural gas. She noted that not all of the boilers will fit into this project. Mr. Mazzaferro reviewed that there are limitations to how much can be funded through the savings.

Mr. Hamlin explained that all of the schools need LED lighting which is a good opportunity for savings and aesthetics. The investment grade audit includes confirmation of the actual dollars, development and review of scopes of work with district staff, putting the scopes of work out to bid and reviewing bids with the district, selection of subcontractors and development of the final price. Mr. Kane added that the original pricing was developed using local costs that were used in Berlin and Southington. He added that the district would be part of the subcontractor selection process.

Mr. Hamlin added that the unit ventilators are in the district's capital plan and are now heated with steam which is more difficult to control than with hot water. Some maintenance is required for the steam heating that would not be necessary if they are converted to hot water. The boilers are at Strong and Cuginchaug and natural gas conversion would be done there and replacement of those boilers would also help reduce maintenance costs.

There is currently a Siemens Energy Management System in all the district's schools that is run very well, but it is an older version of the software. While it is still supported, it will become obsolete at some point so part of the project is to upgrade that to the latest version. He added that the current software runs on Windows XP which is no longer supported.

Mr. Kane stated that they found out that they were selected as the ESCO in May and thanked them for their support and confidence. NORESKO's commitment is to exceed the district's expectations. The next step is the comprehensive energy audit which will take about 12 weeks. While that is being done, IntelliChoice allows them to work with the district to tweak the project as it moves along. Once the audit is done, a report is created that will be reviewed by both the district and ECG. Once that is accepted, a contract will be signed and they estimate a 12-month construction period. They also try to initiate the measures that save the greatest amount of energy first. The last step is measurement and verification. NORESKO will do an annual audit to be sure the savings is meeting what was guaranteed. Mr. Mazzaferro noted that the RFP assumes that they do those audits for a minimum of three years, but can be extended.

Mr. Moore asked what happens if the savings is less than anticipated and Mr. Kane explained that NORESKO will write a check for any difference each year. Mr. Mazzaferro explained that the district will have the option to have NORESKO continue to write a check for the difference in following years or

have them come out to do more work at their cost. If the savings exceed what was projected, it can be paid off quicker or the district can use it as they choose.

Dr. Veronesi noted that she had asked to have energy savings explored four or five years ago and it never really got off the ground. She first met Mr. Mazzaferro a few years ago and brought him to the district. She also wondered what things everyone could personally do throughout the district to create even more savings. She is thrilled with the proposal and is ready to move forward, if the committee and the board agree.

Carl Stoup asked about dual fuel burners so that different fuel suppliers could be chosen. Mr. Mazzaferro felt that the major savings will come from going to a condensing boiler which achieves almost 95 percent efficiency. He did not feel that a dual fuel burner would be able to achieve that. Mr. Roraback felt that gas or propane is almost always a higher cost per BTU, at least in the residential area. Mr. Hamlin explained that there are two parts to the gas bill, one for distribution (Eversource) and one for the supplier (many options).

Mrs. Neubig asked if the committee is comfortable that the district moves to the next step with the investment audit. There is no cost or obligation involved. Mrs. Neubig also thanked Jimmy Croteau and Sue Gaudreau for their hard work.

Mrs. Gaudreau stated that she is excited that the district will get some new equipment that is desperately needed. The upgrade to the Siemens system has to be done within a couple of years anyway and they have been told that they are no longer getting software upgrades. She also noted that they found some good ideas while interviewing the three different companies and they can still be added as they go along.

Mr. Moore thanked everyone for all of their work on the district's behalf. The committee then agreed to move this forward to the full board.

### **Brewster and Memorial Projects**

It was agreed to table this issue until the next meeting.

### **Public Comment**

None.

### **Adjournment**

*Mr. Yamartino made a motion, seconded by Mrs. Geraci, to adjourn the meeting.  
In favor of adjourning the meeting: Mrs. Geraci, Mr. Moore, Mr. Roraback and Mr. Yamartino.*

The meeting was adjourned at 6:30 PM.

Respectfully submitted,

Debi Waz

Debi Waz  
Alwaz First