



JoAnn Sternke, Superintendent of Schools
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June 15, 2009

Ms. Natalie Rew, Auditor
Wisconsin Department of Public Instruction
P.O. Box 7841
125 South Webster Street
Madison, WI 53707-7841

RE: Qualified School Construction Bond "QSCB" Allocation

Dear Ms. Rew:

This letter is to apply for a \$850,000.00 allocation of Qualified School Construction Bonds. The Pewaukee School District appreciates the federal legislation and the support of the Wisconsin Department of Public Instruction in making this interest free (or low interest) bond program available. As we have projects that meet the established criteria and would enhance the educational learning environment on our campus, the Pewaukee School District seeks any part of the \$850,000.00 request that is available to our District.

- The District proposes to finance the following eligible projects listed by school building and amount:
 - **Repair and/or Rehabilitation:** School Energy Efficiency Projects
 - Asa Clark Middle School, Pewaukee High School, Horizon Elementary School, Pewaukee Lake Elementary School
 - Amount \$635,000.00
 - **Acquisition of equipment to be used in our public school facilities:** School Safety & Security Upgrades
 - Asa Clark Middle School, Pewaukee High School, Horizon Elementary School, Pewaukee Lake Elementary School
 - Amount \$65,000.00
 - **Land Acquisition:** Adjacent Property Acquisition
 - Amount \$150,000.00

- The District's project plan will meet the following objectives:

Science, Technology, Engineering and Math:

Green and Healthy Schools: The proposed energy projects, as attached, will improve the operations of the current facilities through the installation of heat recovery technology to reduce the natural gas consumption of the District. We will be replacing two low efficiency boilers with new higher efficiency units in two of the buildings to improve the efficiency of the operations of the buildings. We will also be conducting a retro-commissioning of one of the existing buildings in the district to identify areas of potential future investment. To improve the quality of

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www.acmesystem.net
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SYSTEMS/inc.

May 9, 2009

Mr. Dan La Paz
Director of Grounds
Pewaukee School District
404 Lake Street
Pewaukee, WI 53072

**RE: Irrigation System
Practice Soccer Field**

Dear Dan:

The following is the quote you have requested for the Practice Soccer Field system addition to the existing Soccer Field system. This quote includes all the labor, materials and equipment.

The sprinkler heads, valves, pipes etc. will be the same type of products used on the Soccer Field.

The existing water source and controller that operate the existing Game Soccer Field will be used for the Practice Soccer Field.

Sprinkler heads shall include 40 Hunter I-25 rotor heads with 10 gpm nozzles.

Piping shall be NSF approved 200# PVC mainline, 200# pressure rated PVC and mainline and laterals. This pipe shall be protected from freeze damage by blowing out each fall with high velocity air compressor.

Remote control valves shall be the Hunter ICV 1-1/2" 24 volt remote control valves. All control wiring is direct burial with waterproof splice kits for all underground connections.

The required Hunter ACC decoders shall operate the new valves and be connected to the existing Hunter ACC two-wire control system.

This system is guaranteed against latent defects in material and workmanship for one year from date of installation. Note: Some items carry a longer manufactures warranty.

Acme Systems, Inc. will turn off and blow out the system the first fall, re-activate the following spring and make any necessary adjustments for one year from installed date.

The Precipitation Rate is approximately 0.40" of water applied per hour of run time per zone. Application amount shall be adjusted per zone by scheduled minutes of run time.

414 / **351-8866**

6101 N. Flint Road

Glendale, WI 53209



All pipes, except the 3" mainline, will be installed with a Vibratory Plow to minimize any disruption of the turf, on and off the field.

All restoration is included.

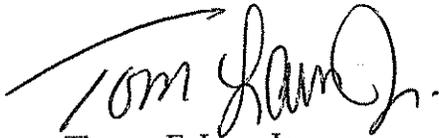
Total Cost for Practice Soccer Field:

\$ 13,486.00

Upon issuing of Purchase Order/Contract, Auto Cad design, shop drawings and submittal binder will be finalized. Please call regarding any questions you may have.

Thank you for the opportunity to serve your irrigation needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Laur, Jr.", with a long horizontal stroke extending to the left.

Thomas E. Laur, Jr.
President

TL/psc

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FAX:414-351-8878

May 9, 2009

Mr. Dan La Paz
Director of Grounds
Pewaukee School District
404 Lake Street
Pewaukee, WI 53072

**RE: Irrigation System
Football Field**

Dear Dan:

The following is the quote you have requested for the Football Field system addition to the existing Soccer Field system. This quote includes all the labor, materials and equipment.

The sprinkler heads, valves, pipes etc. will be the same type of products used on the Soccer Field.

The existing water source and controller that operate the Soccer Field will be used for the Football Field.

Sprinkler heads shall include **32 Hunter I-25 rotor heads with 15 gpm nozzles.**

Piping shall be **NSF approved 200# PVC mainline, 200# pressure rated PVC and mainline and laterals.** This pipe shall be protected from freeze damage by blowing out each fall with high velocity air compressor.

Remote control valves shall be **Hunter ICV 1-1/2" 24 volt remote control valves.** All control wiring is **direct burial with waterproof splice kits** for all underground connections.

The required **Hunter ACC decoders** shall operate the new valves and be connected to the existing **Hunter ACC two-wire control system.**

This system is guaranteed against latent defects in material and workmanship for one year from date of installation. Note: Some items carry a longer manufactures warranty.

Acme Systems, Inc. will turn off and blow out the system the first fall, re-activate the following spring and make any necessary adjustments for one year from installed date.

The Precipitation Rate is approximately .60" of water applied per hour of run time per zone. Application amount shall be adjusted per zone by scheduled minutes of run time.

414

351-8866

6101 N. Flint Road

Glendale, WI 53209



All pipes, except 3" mainline, will be installed with a Vibratory Plow to minimize any disruption of the turf, on and off the field.

Boring the existing track is included.

All restoration is included.

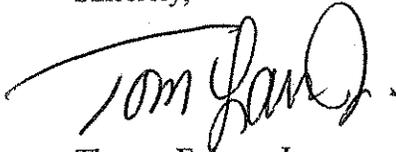
Total Cost for Football Field: \$ 16,677.00

Please note: The increase in price of the October 5, 2007 price of \$15,987.00 is due to the addition of the 3" mainline over the original 2" mainline. The larger 3" mainline is needed to provide the water supply to the Football practice field and Baseball diamonds.

Upon issuing of Purchase Order/Contract, Auto Cad design, shop drawings and submittal binder will be finalized. Please call regarding any questions you may have.

Thank you for the opportunity to serve your irrigation needs.

Sincerely,



Thomas E. Laur, Jr.
President

TL/psc

High School -

1	S2	S2-NC-M200 32 reader software license
2	S2	S2-NDMN 2 reader micronode
2	HID	HU-5365EGP00 proximity readers
1	Axxion	4850-630 24VDC electric strike
1	Axxion	4800-630 24VDC electric strike
2		Power supplies
-		All Cable, Connectors and Boxes
-		Programming and Customer Training
1	Exacq	IPS-8000-R4 network video recorder
20	Exacq	EVIP 01-01 camera licenses
1	Acer	19" widescreen flat panel monitor
1		UPS
13	Axis	P3301 network camera
2	Arecont	AV2155 network camera
5	Arecont	AV3155DN-1HK network camera
5	Arecont	MD-WMT camera mounts
3		Power supplies
-		Relocate existing NVR and all coax cable
-		All Cable, Connectors and Boxes
-		Programming and Customer Training

ASA Middle School -

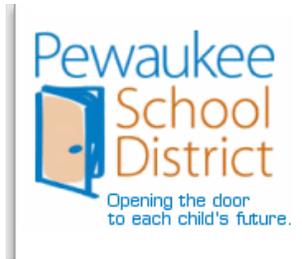
1	S2	S2-NN-E4R-WM 4 reader access control panel
2	HID	HU-5365EGP00 proximity readers
1	Axxion	4850-630 24VDC electric strike
1	Axxion	4800-630 24VDC electric strike
1		Power supplies
-		All Cable, Connectors and Boxes
-		Programming and Customer Training
1	Exacq	1608-48-4000-R4 network video recorder
1	Exacq	EVIP 01-01 camera licenses
1	Acer	19" widescreen flat panel monitor
1		UPS
9	Axis	P3301 network camera
-		All Cable, Connectors and Boxes
-		Programming and Customer Training

Horizon Elementary –

2	S2	S2-NDMN 2 reader micronode
3	HID	HU-5365EGP00 proximity readers
2	Axxion	4850-630 24VDC electric strike
1	Axxion	4800-630 24VDC electric strike
2		Power supplies
2	D-Link	PoE injectors
-		All Cable, Connectors and Boxes
-		Programming and Customer Training
1	Exacq	1608-48-4000-R4 network video recorder
1	Acer	19" widescreen flat panel monitor
1		UPS
-		All Cable, Connectors and Boxes
-		Programming and Customer Training

Pewaukee Lake Elementary --

1	S2	S2-NDMN 2 reader micronode
1	S2	S2-NN-E4R-WM 4 reader access control panel
7	HID	HU-5365EGP00 proximity readers
1	Axxion	4850-630 24VDC electric strike
4	Axxion	4800-630 24VDC electric strike
2	HES	5000/501 24VDC electric strike, LF2400 626 lever lock
3		Power supplies
3	D-Link	PoE injectors
-		All Cable, Connectors and Boxes
-		Programming and Customer Training
1	Exacq	IPS-4000-R4 network video recorder
4	Exacq	EVIP 01-01 camera licenses
1	Acer	19" widescreen flat panel monitor
1		UPS
2	Arecont	AV2155 network camera
2	Arecont	AV3155DN-1HK network camera
2	Arecont	MD-WMT camera mounts
1		Power supply
4	D-Link	PoE injectors
-		All Cable, Connectors and Boxes
-		Programming and Customer Training



PLANNING FOR THE FUTURE WITH A FOCUS ON RELIABILITY, ECONOMICS AND THE ENVIRONMENT

A PROPOSAL FOR ENERGY & SYSTEM UPGRADES AT PEWAUKEE SCHOOLS



By: Masters Building Solutions - May 2009

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Energy and System Upgrade Proposal

Executive Summary

Masters Building Solutions has had a special relationship over the years with Pewaukee High School as our president, Mike Pawelski, has helped with lectures in the Advanced Placement History classes. We know of the commitments that the school has to their students and we appreciate this continued opportunity to work with Pewaukee Schools on this future planning effort for the Pewaukee High School, Asa Clark Middle School, Horizon and Pewaukee Lakes Elementary Schools.

We have examined the various schools' utility bills and have been to the campus to meet with the staff, visit the existing building systems and better appreciate Pewaukee Schools current and future needs at the facilities. We have also met with Wisconsin FOCUS on Energy so that we could more properly evaluate the economic assistance programs that they have for schools such as these. The proposed system upgrades help manage Pewaukee School's risk by providing modern system upgrades for the older heating equipment and installing additional chiller capacity at the high school as well as new systems to capitalize on modern technology and applications knowledge. Our proposed systems will not only modernize key elements of the HVAC Systems but provide an economic and environmental focus on the process as well. The Masters solution as proposed can substantially reduce the overall costs of operation, provide additional security in the form of back up systems and redundancy and provide maintenance and operational savings as well, conservatively estimated to be in the neighborhood of at least \$60-70,000 per year. In our discussions with Assistant Superintendent John Gahan, he felt that financing rates were available that would yield positive cash flows the first year that the new systems were installed.

Masters has worked together with Pewaukee Schools staff to analyze the current facility operations as well as the impact that future utility escalation can have on the overall operation of the building. In doing so, we have reviewed the current age and operation of the equipment and systems and examined many alternative designs to investigate other solutions that could be of benefit to the schools. Our preliminary findings show that we can significantly impact Pewaukee Schools operations at the identified schools through the following recommendations:

Chiller Plant Upgrades: The air cooled chillers on the roof of Asa Clark Middle School are approximately 10 years old and are the main source of chilled water for the buildings. These units have had some bad maintenance and while they operate to satisfaction today, the staff believes that their expected life has been shortened by the poor service work done in the past. The two chillers provide a total of 320 tons and should have at most, another 10 years of operational life. The schools face a risk that one or both of these chillers could have a major failure which would leave the two schools without sufficient chilled water capacity.

The Chiller Plant Upgrade in this proposal will add additional chiller capacity with Multistack Chiller Modules. This reduces Pewaukee School's risk from a chiller failure and also provides major energy savings. Some of these Multistack modules will go in the high school equipment room near the boilers and have heating bundles to capture heat to use in the heating system while other modules would go outdoors and in the cooler months, use the low level heat in the outdoor air to "heat pump" the energy indoors as an energy source for the rest of the heating system. These outdoor units are reverse cycle and could be used as traditional chillers in the warmer months to offset the reliance on the

current air cooled chillers. In addition, the new outdoor Multistack chiller is more efficient than either of the current chillers. The ability to use the recovered heat from the Multistack heat recovery chiller will reduce our gas heating consumption by as much as 60%.

Boiler Upgrades: The existing boiler for Asa Clark Middle School and one of the boilers at Pewaukee Lakes need replacement. Efficiency gains will be achieved (both boilers are lower efficiency; Pewaukee Lakes is estimated to be less than 70% efficient) and operational improvements will be realized by having the same type of boiler at Pewaukee Lakes.

Building Automation and Controls Upgrade: The existing Tracer Summit BAS would be enhanced and modernized by adding a Web Server to allow Pewaukee Schools and Masters personnel to examine the building's operation remotely from any browser enabled computer. This retrofit also changes the sequences of some of the AHUs to provide enhanced optimization of the outside air economizer control to work in tandem with the Multistack chillers to provide the energy savings referenced above.

We have also allocated a total of over 200 hours of combined Masters and Trane BAS personnel time to review and address the operational issues at Horizon Elementary School. This effort is necessary to better understand just how the HVAC systems work and interact and should help eliminate the annoying operational issues that exist today.

On-going Service, Monitoring & Training: To ensure Master's solution continues to deliver the results expected, we will provide proposals for on-going service, monitoring and start-up training. This will help ensure the long term success of the project by leveraging the strengths of both parties. Preventive maintenance will be performed on the installed equipment, the Tracer Summit system will be used to monitor system performance and Pewaukee School's staff will be trained on system modifications and applicable operations and maintenance procedures.

The balance of this proposal outlines different aspects of this proposal and includes material on the energy studies done, current and projected utility costs, specific details on the Energy Conservation Measures (ECMs), items to consider for each ECM, rebate and economic assistance information from We Energies and FOCUS and economic data including costs and possible pro-formas.

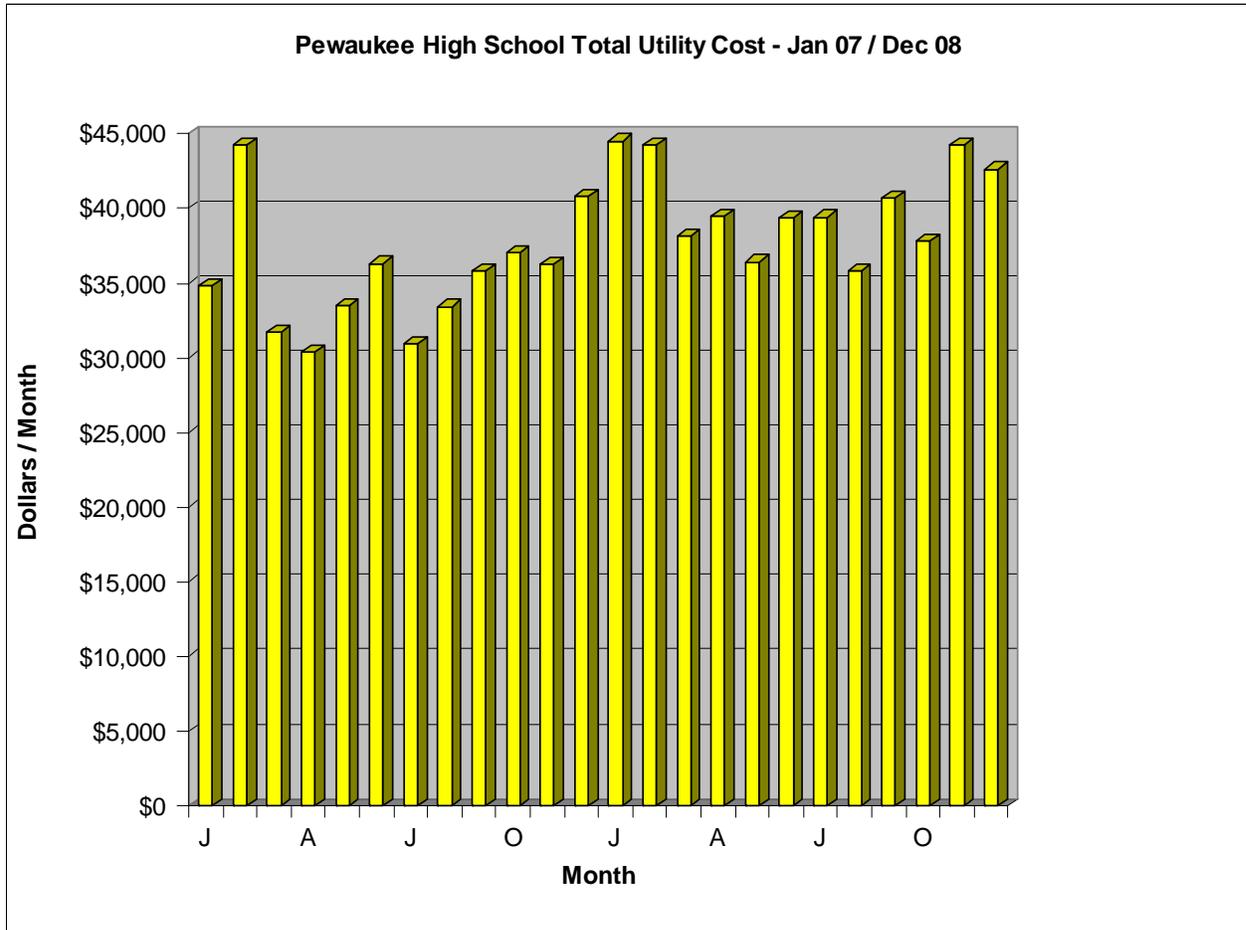
Masters' proposal shows a preliminary cost investment of not to exceed **\$550,000**. This could be reduced by approximately \$37,500 in grants that FOCUS will consider as part of their Custom Program. The balance of the installed cost will be financed and has been reviewed by Masters working with John Gahan to examine various strategies that enable Pewaukee Schools to better budget the operation of their schools over the next ten years and depending on future energy cost escalation, provide cash flow scenarios that minimize cash flow and capital expenditures and quite likely provide positive cash flow versus the current operation.

The Pewaukee Schools / Masters Team has done a very good job of thoroughly reviewing the current and future operational needs of Pewaukee Schools so as to better evaluate system replacements and upgrades that are needed to better position the building for the challenging economic, operational and environmental needs to ensure that address Strategy Five in the School Board's Mission Statement – to "provide dynamic facilities that fulfill the changing needs

of its stakeholders while protecting the communities investment in our campus through responsible utilization of resources.” This proposal offers solutions that deliver on the infrastructure requirements of the facility while at the same time remaining focused on the need to deliver great value and benefits to the students and community.

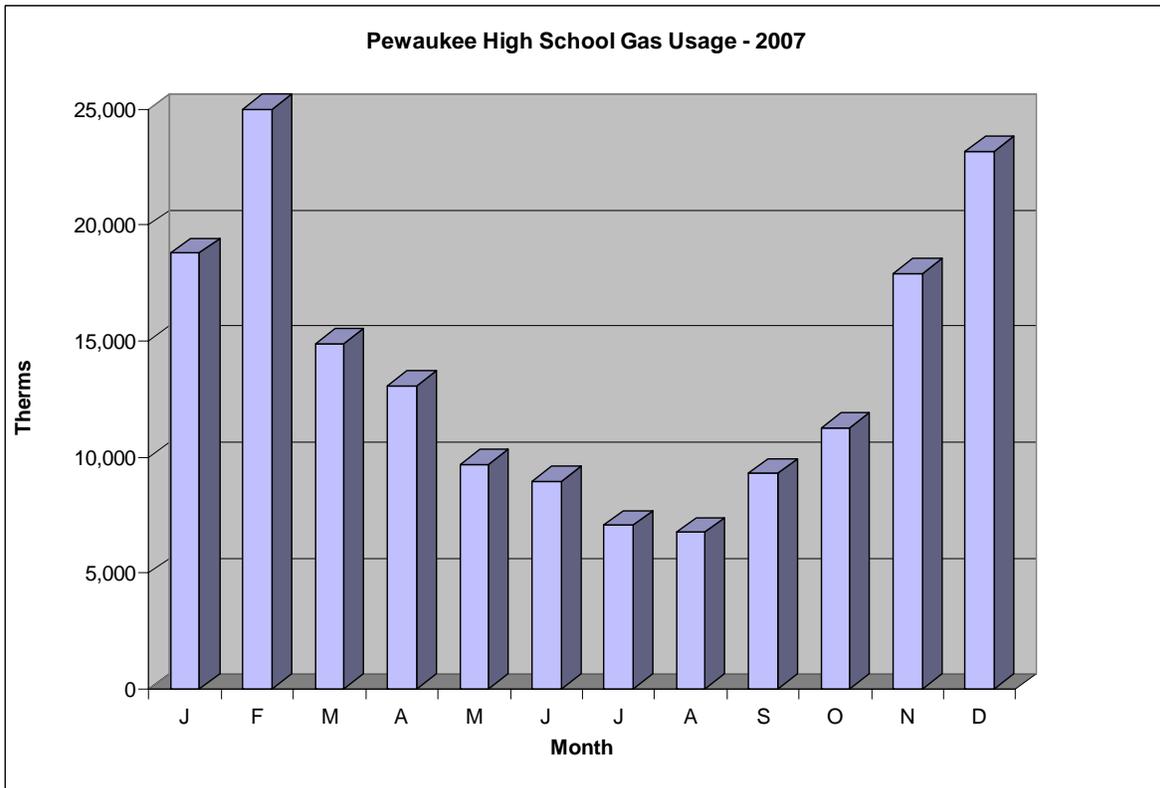
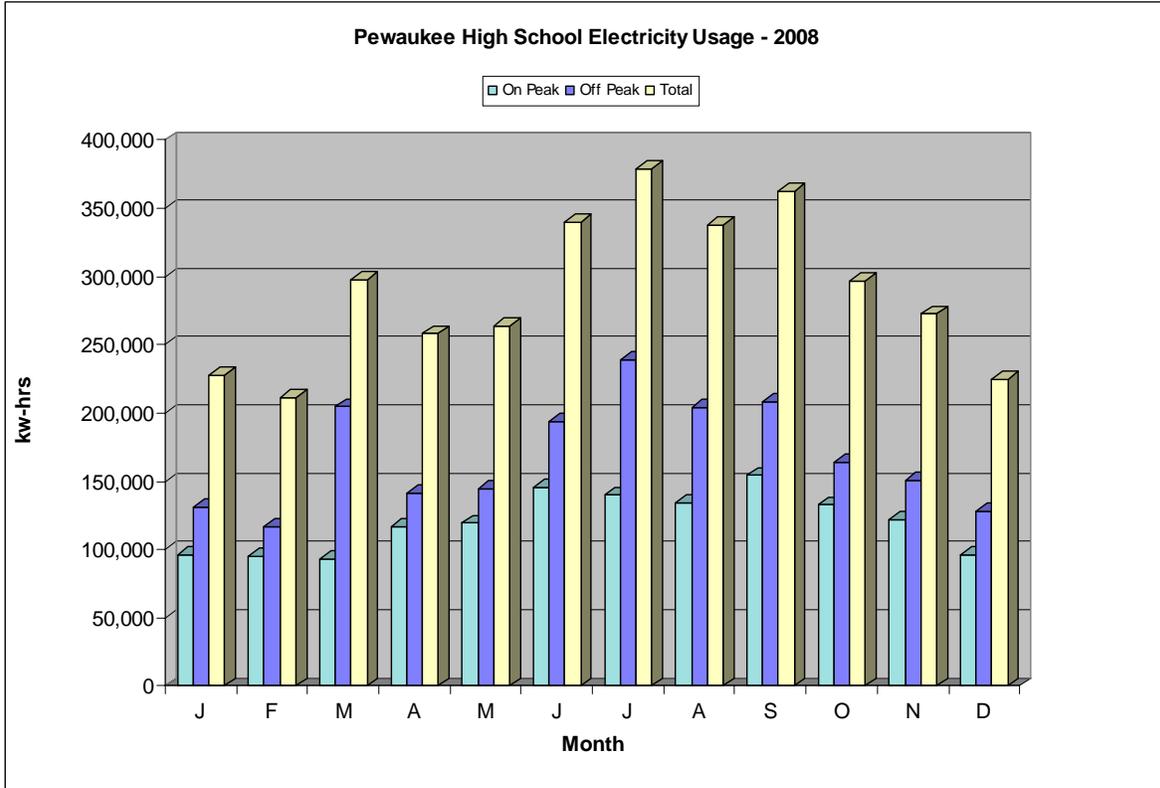
Current Facility Operating Cost Profiles

Pewaukee High School averaged just over \$450,000 per year on energy in the January 2007 to December 2008 time period. Gas contributes 43% of the energy usage, 37% of the cost. Electrical consumption represents 57% of the energy, 63% of the cost. If one examines the two twelve month periods (Jan to Dec) we find that electrical usage has increased slightly (3.5%) with a near 8% increase in costs while gas usage has increased by over 7% and the cost of this gas usage has increased by almost 24%.



This review of electrical and gas usage indicates that overall costs are approaching \$2.60 per square foot with a sharply increasing gas cost component. The ECMs proposed here have an overall emphasis on comprehensively reducing energy with a special focus on curtailing the gas consumption as much as possible to not only reduce usage and cost but to minimize the school's reliance on this entity and its projected inflationary trends in the coming years. The ECMs proposed within this proposal have the ability to reduce the operating cost of Pewaukee High School more towards the \$2.15 per square foot range in the current utility cost landscape.

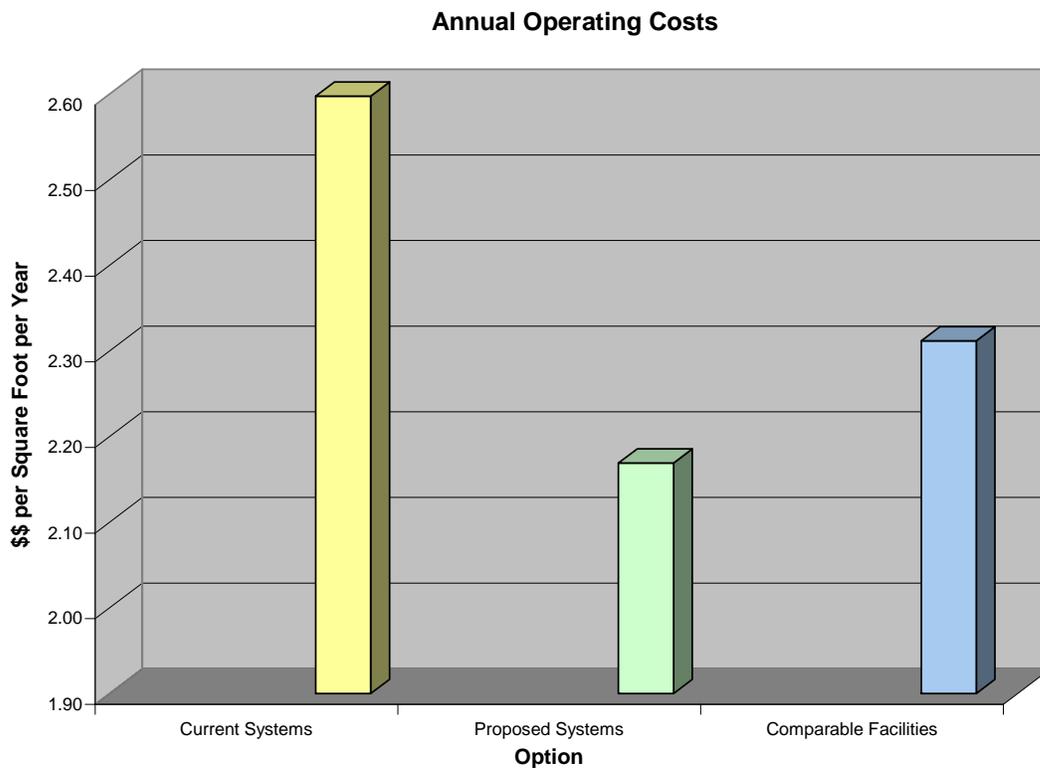
The electrical usage has the classical summer peak and the system is using gas throughout the summer. The systems as proposed would eliminate this summer gas usage, greatly reduce overall gas consumption and use more electricity for higher efficiency heating.



Current Facility Operating Cost Profiles

Energy Cost Benchmarks Energy Expense Comparison:

When conducting and evaluating building characteristics, we have found that a useful factor for comparison to similar office buildings is energy costs per square foot per year. This indicator of efficiency has been used below to compare Pewaukee High School's current operation, projected operation and some other typical building scenarios.



Conclusion:

The utility costs in Milwaukee are reasonably inexpensive compared to other parts of the country. Even with these low utility costs, Pewaukee High School's \$2.60 operating cost per square foot is high by today's standards. The ECMs proposed here will greatly reduce the overall cost in general and specifically position the building below many comparable facilities in this portion of the country. The unique nature of these upgrades and retrofits will also better position Pewaukee Schools to reduce their risk by having more modern heating and cooling systems that employ optimum amounts of electricity and gas usage while not solely relying on either energy source.

Energy Conservation Measure (ECM) Description

CHILLER PLANT UPGRADES

The cooling for Pewaukee High School and Asa Clark Middle School relies exclusively on ten year old Carrier air cooled chillers; there has been some poor maintenance procedures performed in the past that could have seriously shorted the expected life of this equipment. The chillers now receive proper maintenance but Pewaukee Schools acknowledges that the expected life of this equipment has been shortened. Cooling equipment consumes one of the highest amounts of energy of any comfort related equipment and is responsible for the early summer / fall peak in the high school / middle school electrical demand. The Masters Team recommends adding adequate backup capacity and heat recovery chillers to the system and adjusting the sequence of operation to optimize the use of these new chillers.

- ***Installation of Increased Efficiency, Multistack Modular Chillers***

Replacing inefficient chillers with new ones can in some cases double the efficiency. Our team feels that Pewaukee Schools should install a new and more efficient Multistack modular chiller that would not only increase efficiency but also improve reliability through multiple and redundant compressors. The total Multistack tonnage will provide enough capacity (150+ tons) to meet the building's needs should the one of the current chillers not be available. This will greatly reduce the current risk of not being able to maintain the building in the event of a prolonged issue or failure of the current chillers.

The Multistack chiller system will have two main components:

1. Modules that are dedicated for heat recovery and draw heat from the chilled water system and “heat pump” it to offset or eliminate the boiler load. These units go indoors.
2. Modules that go outdoors and “heat pump” energy from the outside air to the heat recovery modules when the building's chilled water does not contain enough heat to supply the heat recovery modules. These units can also serve to be a conventional chiller in the warmer months.

III MULTISTACK
global leaders in modular chillers



Outdoor Unit



Indoor Assembly



Heat Recovery Unit

The ability of the outdoor unit and the heat recovery unit to draw heat from the ambient air and the return chilled water and heat pump the energy to offset the loads of the heating plant will have a major impact on the school's heating costs while at the same time greatly reducing the CO₂ emissions and the carbon footprint of the building.

BOILER PLANT UPGRADES

The boilers at Asa Clark and Pewaukee Lakes have been identified as needing replacement. Pewaukee Lakes currently has mostly Thermal Solutions boilers with a single 1996 vintage Patterson Kelly. Asa Clark has an old and inefficient HB Smith boiler. The Pewaukee Schools / Masters Team recommends removing these existing boilers and replacing with Thermal Solutions gas fired high efficiency hot water boilers.

- *Installation of Thermal Solutions Boilers*

Two (2) Thermal Solutions boilers, one rated at 2.0 million Btu per hour for Asa Clark and one rated at 1.5 million Btu per hour for Pewaukee Lakes, would be installed on a pads where the existing boilers are today. Both of the existing boilers would be removed.



ENVIRONMENTAL CONTROL IMPROVEMENTS



The current Tracer Summit system was installed years ago and its capabilities have been integral to the evaluation of options for this proposal. A computerized facility management system (FMS) can significantly improve your ability to optimize a building's performance. There are some additional strategies that will be programmed into the system to lower utility costs, reduce equipment run hours, and provide data important to maintaining control in critical areas. Our recommendation includes integrating these features into your comfort systems. Some of our observations in these areas include:

- *Tandem Thermal Heat Pump Chiller Heat Recovery*

The indoor and outdoor components of the Multistack heat recovery chiller system will be controlled such that these Tandem Thermal Heat Pumps are operating in the most efficient manner to optimize the balance of electrical energy used versus gas energy offset.

- *Load Shedding Economizer Sequencing*

The existing two main AHUs that serve the east and west halves of the high school will be retrofitted with a sequence modification that will adjust the outdoor air dampers to use outside air for any and all cooling possible while still using the heat in the return air to work with the Multistack chillers to offset the heating load going to the boilers. This is known as Load Shedding Economizer and can be programmed into the Tracer Summit UPCM panels that control these AHUs. The AHUs in Asa Clark

could possibly also get this retrofit depending on the load balance needed to best offset the heating loads met by the Multistack system.

- *Improved BAS Accessibility*

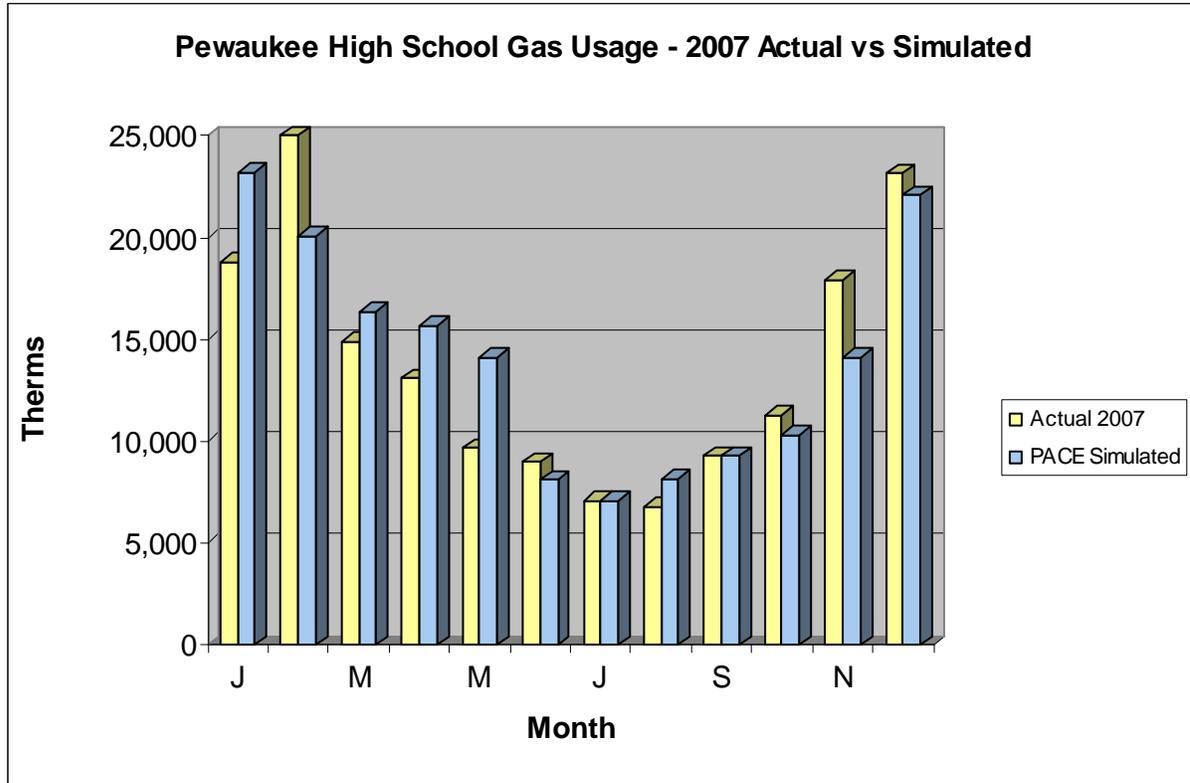
The Tracer Summit BAS will have a web server added that will increase the accessibility of the system. Pewaukee Schools and Masters personnel will now be able to call the system up from almost any internet enable browser if the operator has proper passwords and clearance. This will provide better overall operation and ensure that maximum usability of the system will be achieved.



Energy Analysis Overview

The Process Air Conditioning Economics (PACE) program was used to model Pewaukee High School's cooling and heating loads. An initial model was developed to model the existing systems as accurately as possible. The PACE model that was developed was fine tuned by running for a year against Milwaukee weather data and We Energy utility rates and tweaked until it produced energy consumptions that matched up fairly well with an examination of the actual utility bills from 2007. Once this base model had been verified, it was relatively easy to add inputs to reflect the various ECMs under consideration.

The chart below compares actual 2007 gas consumption versus that consumption produced in the PACE Simulation. The overall consumption as modeled was 168,537 therms which compares to an actual total of 168,455. The individual months match up well with the exceptions of February and November. Both of these months were abnormally cold in 2007 compared with historical averages for Milwaukee temperatures. Masters proposes to use the 2008 actual utility records as a further method of fine tuning the model to make sure we have the best representation of the building for ECM evaluation and comparisons.



The basis of analysis for all systems was the current plant at Pewaukee High School. This assumes that all chilled water loads are met by the Carrier Screw Chillers on the roof at Asa Clark Middle School, all heating loads are met by the current boilers on the lower level. Alternatives to this base are then evaluated on a gradual basis so that we start with one ECM and then roll them up into a collective group of ECMs for overall analysis. Once the basic heat recovery chiller and new boiler options were optimized, we also added in the additional savings from the outdoor chillers / heat pump.

	<u>Cooling</u>	<u>Heating</u>	<u>Estimated Savings / Year</u>
Alt #1	Existing Carrier Chillers	Existing Boilers	\$ 0
Alt #2	Existing + 1 DHRC	Existing Boilers	36,879
Alt #3	Existing + 2 DHRC	Existing Boilers	59,185
Alt #4	Existing + 3 DHRC	Existing Boilers	65,764
Alt #5	Existing + 3 DHRC+	Existing Boilers	71,600
Alt #6	Existing + 3 DHRC+	New Boiler - PLE	74,600
Alt #7	Existing + 3 DHRC+	New Boilers – PLE & MS	78,000

Notes

- 1 DHRC – One (1) Multistack MS-70X Dedicated Heat Recovery Chiller Module
- 2 DHRC – Two (2) Multistack MS-70X Dedicated Heat Recovery Chiller Modules
- 3 DHRC – Three (3) Multistack MS-70X Dedicated Heat Recovery Chiller Modules
- 3 DHRC+ – Three (3) Multistack MS-70X Dedicated Heat Recovery Chiller Modules plus ASHP
- ASHP – Multistack Air Source Heat Pumps to work in tandem with the DHRCs

Over 20 combinations of Multistack modules, new boilers and ASHPs were reviewed.

The savings as estimated from PACE and additional hand calculations represent the relative value of each ECM. The next step would be to integrate more specific modeling as part of the detailed engineering review to be done with Fredericksen Engineering.

A review session was held with the John Gahan and Dan LaPaz of the Pewaukee Schools team. This session discussed the various alternatives, their first cost, their utility cost as well as possible FOCUS financial assistance. The most prevailing opinion to come out of these discussions was that the total scope of the project as outlined above in Alternative #7 should be done.

The Detailed Scope of Work is Generally Outlined above and would be an Attachment to the Contract in Section 9 of this Proposal that would be developed as part of the Detailed Engineering Study done with Fredericksen Engineering.

Miscellaneous Work

Our scope also includes engineering review and design of the systems layout, project management and system commissioning. It excludes the following:

- Any painting or finishing of any kind
- MBE and / or FBE requirements
- Permits
- Bonds, fees or allowances
- Liquidated damages
- Taxes
- Asbestos abatement – any asbestos removal is to be done by the owner outside of this agreement
- Fire protection

Masters has agreed to do this project on a cost plus basis which is projected to total in the area of \$525,000 to \$550,000.

TOTAL AMOUNT FOR SCOPE not to exceed \$ 550,000

Wisconsin FOCUS on Energy could contribute in excess of \$30,000 toward this installation per their custom programs as outlined in Section 8 of this proposal. Masters is meeting again with FOCUS on May 12 to better define this grant amount.

If this sum is deducted from the base price, the result is a price not to exceed \$570,000; in a similar fashion, the FOCUS grant amount would be deducted from Masters cost plus agreement if that method of procurement is used.

Masters invoicing will be done on a progress and phased basis with estimates of:

1. Invoice #1 (20% of project) for project mobilization due upon receipt of signed proposal / contract.
2. Subsequent invoices monthly on progress billing by Masters.
3. Payment is due ten (10) days after receipt of invoice.

Contract forwarded with Terms and Conditions upon acceptance.

Preliminary Investment Analysis

Pewaukee Schools has several options for purchasing this project. The two most probable are discussed below. Discussion of these options is not intended to imply that these are the only options available. Should Pewaukee Schools wish to pursue other options, Masters will be happy to assist.

1. Direct Purchase

Pewaukee Schools can choose to pay for the project up front (in effect, progress payments as identified above) without financing.

2. Financing / Lease Purchase

Pewaukee Schools may finance the project through various methods currently available to Wisconsin Schools. John Gahan, Dan LaPaz and Masters have reviewed this with a 3.75% rate that John has investigated and secured. The ProForma on the next page reflects that approach to the project. Note that we have conservatively only used 90% of the gas savings in developing this ProForma.

Advantages to leasing include:

- Customer can conserve capital, thereby improving cash flow;
- Minimum or no down payment;
- Equity and ownership are built from the first payment