

Strengthening a Remarkable City, Building a Community for Life

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Health & Human Services Department Douglas S. Gardner, Director

July 5, 2011

Larry D. Carbonneau, CPA, Senior Health Care Financial Analyst Department of Health & Human Services Division of Licensing and Regulatory Services 41 Anthony Avenue 11 State House Station Augusta, Maine 04333-0011

Dear Mr. Carbonneau,

As you are aware from previous communications, we are preparing to make several significant energy efficiency improvements on the Barron Center campus. The Barron Center is a 219-bed long-term care facility owned and operated by the City of Portland. It is one of five operating divisions within the City's Health & Human Services Department. This work is part of an \$11 million program focused on over 40 City owned buildings, including the Barron Center. The total cost of the improvements at the Barron Center is estimated at approximately \$2.3 million.

It is my understanding that because all of the proposed projects are energy efficiency improvements they will not be subject to the Certificate of Need review process; even if the total cost of the upgrades exceeds the current \$1.0 million threshold. Please accept this communication as an official letter of intent to proceed with the energy efficiency improvement projects at the Barron Center. I have attached a brief summary of all the work that is scheduled to be completed at the facility in the upcoming months. As you can see from the summary, ECM #4 (Boiler Plan Upgrades) and ECM #6 (Laundry Plant Upgrades) represent the majority of the costs associated with the total project. These two components are clearly energy efficiency improvements, and as indicated in the summary, represent substantial energy cost savings to the City. I am hopeful that you will agree and rule in the affirmative that the proposed work is not subject to CON review.

Please let me know if you have any questions or concerns related to this matter and thank you for your time and attention.

Respectfully submitted,

Douglas Gardner, Director

Health & Human Services Department

City of Portland