



Decision Paper

To: Nelson County Board of Education

From: Tim Hockensmith, Chief Operating Officer

cc: Dr. Anthony Orr, Superintendent

Date: July 19, 2016

Re: Energy Manager MOA For FY 2016-2017.

RECOMMENDATION: Approve the attached Energy Manager MOA for 2016-2017.

RECOMMENDED MOTION: I move that the Nelson County Board of Education approve the attached Energy Manager MOA as presented.

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (the "AGREEMENT") is made and entered into on June 30, 2016 by and between **Henry County Schools ("Henry")**, 326 South Main Street, New Castle, KY 40050, (hereinafter Lead District) and **Anchorage Independent School District**, 1140 Ridge Road, Anchorage, KY 40223, **Eminence Independent Schools**, 291 W. Broadway, Eminence, KY 40019, **Nelson County Schools**, 288 Wildcat Lane, Bardstown, KY 40004, and **Trimble County Schools** 68 Wentworth Ace., P.O. Box 275, Bedford, KY 40006 (hereinafter Participants).

WITNESSETH:

WHEREAS, KRS 160.325 requires school districts to respond to rising energy costs by focusing on the management of its various uses of energy; and

WHEREAS, KRS 160.325 requires, annually on or before December 1, a report to the Kentucky Department of Energy Development and Independence and the Kentucky Legislative Research Commission on the status of the development of energy management plans by boards of education and the anticipated savings to be obtained from those plans; and

Whereas, board policy 05.23 requires the Superintendent to direct the development of an energy management plan (EMP) and oversee the implementation and maintenance of the plan and report by October 1 of each year the EMP results for each fiscal year, including annual District energy usage, costs and anticipated savings; and

WHEREAS, KSBA has been designated by the Department of Energy Development and Independence to receive the individual reports and provide statewide data addressed in KRS 160.325; and

WHEREAS, public school districts are publically funded educational institutions, grades K –12, with a District Board of Education, pursuant to KRS 160.160, having the authority to enter into contracts on behalf of the District.

WHEREAS, the parties recognize the opportunity to conserve both financially and environmentally by implementing an energy management plan; and

WHEREAS, the Lead District pursuant to the MOA wishes to employ an Energy Manager for the term of this agreement to assist in the implementation of the energy management plan(s);

WHEREAS, the Lead District and Participants wish to share the resources provided for herein, subject to the terms and conditions of this agreement on a basis mutually agreed to and as recorded in their respective Board Minutes.

WHEREAS, The Louisville Gas and Electric ("LGE") and Kentucky Utilities ("KU") Companies have been authorized by the Kentucky Public Service Commission in PSC Case No. 2015-00398 to continue their Energy Management Program for Schools through provision of funds of \$1,450,000 during FY2017 and FY2018 to provide matching funds for energy managers employed to serve public districts with schools located in their service territory; and

WHEREAS, KSBA and LGE-KU have entered into an Energy Management Program Agreement (the "Program Agreement") whereby KSBA agreed to coordinate and administer through SEMP a grant program to provide the matching funds and support for energy management programs at the district level; and

WHEREAS, KSBA and Henry have entered into a Memorandum of Agreement for Henry to receive on behalf of the Participants funding from LGE-KU for an energy manager.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt, mutuality and sufficiency of which is hereby acknowledged by the parties to this AGREEMENT, hereby COVENANT AND AGREE to join together and to participate in the program as follows:

1. OBLIGATIONS OF THE LEAD DISTRICT

1.1 The Lead District shall undertake the following obligations for itself and each of the Participants:

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- 1.1.1 Develop a Job Description for the Energy Manager;
- 1.1.2 Employ an Energy Manager for an initial annual salary of \$55,000 plus benefits for the term of this agreement;
- 1.1.3 Share the services and costs of the Energy Manager with the Participants as follows; Anchorage Independent Schools – 5%, Eminence Independent School District – 10%, Nelson County Schools – 40%, Trimble County Schools - 20 % and Henry County School District – 25%.
- 1.1.4 Provide office space, computer, cell phone and other support for the Energy Manager as mutually authorized by the Lead District and Participants as deemed necessary for conduct of the activities of the Energy Manager;
- 1.1.5 Authorize and reimburse travel expenses of the Energy Manager;
- 1.1.6 Credit against each Participant's allocated share of energy manager salary costs the LGE-KU School Energy Management Program grant amount as shown on Attachment A to this Memorandum of Agreement;
- 1.1.7 Invoice Participants annually their allocated net share of costs under this agreement;
- 1.1.8 Comply with the requirements of the KSBA-Henry Memorandum of Agreement;
- 1.1.9 Provide for the Energy Manager to attend approved energy management training, as needed and approved by the parties;
- 1.1.10 Establish performance goals for the Energy Manager jointly with the Participants;
- 1.1.11 Monitor the activities of the Energy Manager and track compliance with the cost and time sharing arrangement as agreed herein;
- 1.1.12 Conduct an annual evaluation of the Energy Manager with the assistance of the Participants;
- 1.1.13 Retain all records relating to this Agreement as required by District policy;

2. OBLIGATIONS OF THE PARTICIPANTS

2.1 PARTICIPANTS shall undertake the following obligations:

- 2.1.1 Reimburse Lead District annually by September 1 its net allocated share of the Energy Manager's salary, benefits (\$69-Anchorage, \$138 – Eminence, \$550 - Nelson and \$275 – Trimble) and intra-participant travel expenses (\$120 - Eminence, \$3,000 – Nelson and \$840 – Trimble) per paragraph 1.1.7 of this MOA;
- 2.1.2 Designate a district contact person for the Energy Manager;
- 2.1.3 Assist the Lead District in the establishment of annual performance goals and evaluation of the Energy Manager;

3. MUTUALITY OF OBLIGATIONS

- 3.1 The obligations imposed upon the parties to this AGREEMENT are for the benefit of the parties and we each hereby agree that timely fulfillment of each and every obligation in accordance with this AGREEMENT is material and necessary. In the event of a material breach by either party to this AGREEMENT, the other party shall give written notice of the breach to the breaching party and the opportunity to cure such breach within (10) business days. Upon the failure of the breaching party to cure within said timeframe, the non-breaching party may terminate this AGREEMENT upon notice without further obligation to the other party.
- 3.2 Except as otherwise provided in this AGREEMENT, the parties to this AGREEMENT shall be solely responsible for any costs incurred in fulfilling their obligations under this AGREEMENT, and no party shall have any claim against the other party for reimbursement of such costs.

4. TERM OF AGREEMENT

- 4.1 The term of this AGREEMENT is from July 1, 2016 through June 30, 2018, or until termination of the MOA, whichever occurs earlier.

5. CANCELLATION

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5.1 This AGREEMENT can be terminated without cause by mutual consent of the parties upon thirty (30) days prior written notice to the other party, or by Henry at any time upon depletion of the grant funding and for cause as provided for in paragraph 3.1.

6. NOTICE

6.1 Notice shall be mailed by registered or certified mail, or hand-delivered, to the Superintendent of the Lead District at the address at the beginning of this AGREEMENT.

IN WITNESS WHEREOF, the Lead District and the Participants have executed this AGREEMENT as of the date first written above.

AGREED TO BY:

Henry County - Lead District

Superintendent Date: _____

Board Chair Date: _____

Anchorage Independent – Participating District

Superintendent Date: _____

Board Chair Date: _____

Nelson County Schools - Participating District

Superintendent Date: _____

Board Chair Date: _____

Trimble County Schools Participating District

Superintendent Date: _____

Board Chair Date: _____

Eminence Independent - Participating District

Superintendent Date: _____

Board Chair Date: _____