



FLOYD COUNTY BOARD OF EDUCATION  
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**Date:** November 6, 2019

**Agenda Item (Action Item):** Consider/Approve Letter of Intent to inform KDE that Floyd County Schools intent is to implement a Guaranteed Energy Saving Contract (GESG).

**Applicable State or Regulations:**  
KRS 45A.345, 45A.352, and 45A.353.

**Budget/Financial Issues:** Potential Cost and Savings will be explained by CMTA Energy Solutions.

**Background and Rationale:** The district will benefit from the implementation of this program. The bonds will be paid from savings that is generated from installing new LED lighting throughout the district, some HVAC equipment, and three (3) roofs (PHS/SFE/MVE).

**Recommended Action:** My recommendation is to approve sending the letter of intent to KDE for their approval.

**Contact Person(s):** Gregory Adams/874-9569

Principal

Director

Superintendent

**58.605 Energy conservation revenue bonds for energy conservation measures -- Procedure.**

- (1) Subject to the reporting and approval requirements in KRS 45A.352, 45A.353, and 58.610, any local public agency may issue energy conservation revenue bonds to pay for the cost of energy conservation measures under guaranteed energy savings contracts for the purpose of reducing the cost of energy to buildings owned or operated by the local public agency by making energy-saving improvements to these buildings.
- (2) A local public agency, or an agency acting on its behalf, may issue energy conservation revenue bonds to finance the energy conservation measures under guaranteed energy savings contracts, with the following limitations:
  - (a) Any energy conservation measure, financed through bonds, shall comply with the provisions set forth in KRS 45A.345, 45A.352, and 45A.353;
  - (b) The term of the bonds shall run coterminous with the term of guaranteed energy savings contract;
  - (c) A local public agency shall not enter into a guaranteed energy savings contract where the total cost of the energy conservation measures exceeds the cost of the energy savings plus the operational costs plus the capital cost avoidance that is estimated for the term of the guaranteed energy savings contract commencing from the date of the energy conservation measure's installation; and
  - (d) The use of capital cost avoidance shall be subject to the following restrictions:
    1. The amount expended shall not exceed fifty percent (50%) of the project cost; and
    2. Capital cost avoidance shall be restricted to payment for permanent equipment replacement as follows:
      - a. Storm windows or doors, multiglazed windows or doors, additional glazing, and reduction in glass area;
      - b. Replacement of heating, ventilating, or air conditioning major components or systems;
      - c. New lighting fixtures where required to achieve Illuminating Engineering Society of North America (IES) standards, provided the existing light fixtures shall have been determined to be obsolete and incapable of achieving IES standards; and
      - d. Life safety system replacements or upgrades which shall have been determined to be necessary to conform with existing state and local codes and standards.
- (3) Energy conservation revenue bonds shall be issued in accordance with the provisions of KRS 58.010 to 58.140 and shall be sold at a competitive sale preceded by adequate public notice and shall bear interest at an interest rate or rates determined by the local public agency at the time of the sale.

**Effective: July 15, 1998**

**History:** Amended 1998 Ky. Acts ch. 120, sec. 31, effective July 15, 1998; and ch. 375, sec. 7, effective July 15, 1998. -- Created 1996 Ky. Acts ch. 213, sec. 2, effective July 15, 1996.

**Legislative Research Commission Note (7/15/98).** This section was amended by 1998 Ky. Acts chs. 120 and 375 which do not appear to be in conflict and have been codified together.

November 6, 2019

Kentucky Department of Education  
Division of District Support  
Attn: Mr. Greg Dunbar, AIA  
300 Sower Blvd, 4<sup>th</sup> Floor  
Frankfort, KY 40601

Re: Floyd County Schools  
Letter of Intent / Submission for Approval - GESC

Dear Mr. Dunbar,

This letter is to inform KDE of Floyd County Schools' intent to implement a Guaranteed Energy Savings Contract (GESC). The goals to be considered in the project include identification and implementation of energy conservation measures which reduce energy and maintenance costs, improve environmental conditions, improve facility function and operation, and reduce the carbon footprint and other negative environmental impacts.

The scope will consider major upgrades that are currently planned at multiple facilities as outlined in the District Facilities Plan (DFP), and additional planned construction initiatives. Aligning the scope of GESC with current planning and future life cycle costs will ensure a more comprehensive approach for all facilities within Floyd County Schools. All facilities listed on our DFP as "permanent" will be considered in the scope of work as we develop the project with the Qualified Provider.

The District intends to purchase the GESC through our membership in the Kentucky Educational Development Corporation (KEDC). CMTA was selected as the Qualified Provider for our district and is a KEDC pre-approved vendor. Our district will work with KEDC to ensure the process is in compliance with Kentucky Model Procurement Code.

As the scope of work is finalized we will forward the required documents, including the BG-1, detailed list of energy conservation measures, costs of the measures including engineering, construction, commissioning, etc. Please reply with any checklists or guidance documents you have for this process.

We look forward to working with you on this project.

Sincerely,