

## **School Article 5 – Energy Efficiency**

The purpose of this article is to allow the School District to authorize the School Board to enter into an agreement for the installation of up to \$1,743,064 energy saving equipment, and to raise and appropriate \$125,216 for an annual lease payment partially offset by energy savings and a resulting reduction in energy costs. This lease agreement is for a term of 16 years, contains a finance interest rate of 3% (2), and a non-appropriation clause (escape clause). The annual lease payment of \$125,216 is to be partially funded from guaranteed annual energy savings of \$65,738. Annual budget impact is estimated to be \$59,478. (1)

A few examples of the projects included are:

At the Raymond High School: LED lighting with Spacewise controls, HVAC controls upgrade, new valves, HVAC retro commission, 2 new gas boilers, oil tank removal/disposal, walk-in-cooler controls, and transformers. (3)

At the Iber Holmes Gove Middle School (IHGMS): LED lighting with Spacewise controls, HVAC controls upgrade (valve replacement not required), 2 new gas boilers, oil tank removal/disposal, walk-in-cooler controls, building envelope, and transformers. (4)

As stated previously, the energy savings could be utilized to offset the associated costs of the projects by capturing current energy savings rebates, providing measurement/verification documentation of actual energy savings, and guaranteeing the estimated energy savings. (5)  
Estimated 2020 tax impact: \$0.13 per thousand of tax valuation or \$26.00 on a \$200,000 home. (6)

**A YES vote** gives the School Board authorization to enter into a lease purchase agreement with and to raise and appropriate \$125,216 for a down payment with partial offsets.

**A NO vote** prohibits the School Board from entering into a lease purchase agreement with and from funding the project.

### **Reasons why some voters might vote yes:**

- Prefer the projects to be done now rather than later. Both the Raymond High School and Iber Holmes Gove Middle School have their original systems and are considered beyond their end of life. (7)
- Prefer the energy savings to be realized now rather than later.
- Prefer these projects to be part of a more streamlined process by having one company oversee the entire process.
- Concern that the cost associated with these projects will fluctuate and could be more expensive in the future.
- Concern that the energy efficiency rebates could be discontinued or offered at a reduced rate in the future.

### **Reasons why some voters might vote no:**

- Prefer that the projects be done individually, to spread out the expense over a longer period of time.

- Prefer for each project to be bid out separately. (8)
- To avoid a 16-year lease purchase agreement with 3% finance interest rate.
- Disagreement with some or all of the items under this agreement.
- Prefer to fund these projects another way.
- To allow more time to investigate the different types of energy efficient equipment, as well as the life expectancy and maintenance requirements for them.

**References:**

1. Public Hearing Slideshow presentation, page 40, given during the public hearing portion of the Budget Committee meeting on 01/09/2020.
2. Information taken from page 3 of the “EEI Investment Grade Audit” dated October 29, 2019. This information is provided in PDF format (named: EEI Raymond Audit.pdf). This PDF was attached to the School Board meeting minutes of 11/6/2019.
3. Same as reference 2.
4. Same as reference 2.
5. Information provided in a letter attached to the minutes of the School Board meeting on 11/6/2019. This letter was provided in a PDF format named: “Letter re EEI.pdf.”
6. With expected savings, the expected tax impact of this article would be \$0.06-\$0.07 per thousand. SAU 33 Business Administrator Marjorie Whitmore, at IHGMS Principal’s Coffee on 1/29/20.
7. The Raymond High School has its original system that is over 30 years' old and controls that have failed. The system is "at life." Reference the School Board meeting of 9/18/2019. At the IHGMS, the oil storage tanks are original and 30 years old and "at life." It has more recent boiler and controls (around 13 years old), but there have been "more issues with those boilers than we've had with any other boilers in the district." Conversation with the Safety and Facilities Director Todd Ledoux and Mike Davey with the School Board. School Board meeting, 09/18/2019.
8. The Raymond School District has a policy in regards to bidding processes. It is detailed in the Raymond School District Policy DJE, titled Bidding Requirements.