MEMORANDUM OF AGREEMENT

BETWEEN THE

KENTUCKY SCHOOL BOARDS ASSOCIATION (KSBA)

AND

COUNTY SCHOOLS

LGE-KU SCHOOL ENERGY MANAGERS PROJECT
THIS MEMORANDUM OF AGREEMENT (the “AGREEMENT”) is made and entered into this June 2, 2016 by and between the Kentucky School Boards Association, 260 Democrat Drive, Frankfort, Kentucky 40601 (hereinafter “KSBA”) and County Schools, hereinafter “District”).

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 on or before December 1, 2011, 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, KSBA is a nonprofit corporation, governed by a statewide board of directors, comprised of school board members from public school systems in the Commonwealth of Kentucky; and

WHEREAS, KSBA in 2010 implemented the School Energy Managers Project (“SEMP”) to support district efforts to achieve energy savings as contemplated by KRS 160.325; and

WHEREAS, District recognizes the opportunity to conserve both financially and environmentally by implementing an energy management plan; and
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, pursuant to the Program Agreement, can reimburse districts based on the relationship of LGE-KU served K-12 schools to total district K-12 schools up to 50 percent of the salary, not to exceed $27,500 annually, for a full-time Energy Manager position during FY2016.; and

WHEREAS, the expenditure of funds shall be monitored and subject to LGE-KU review within the terms of the Program Agreement; and

WHEREAS, District is a body politic and corporate, pursuant to KRS 160.160, having the authority to contract; and

WHEREAS, District may enter into agreements to share the resources provided for herein with other school districts, subject to the terms and conditions of this agreement on a basis mutually agreed to which agreements shall be authorized in the Board Minutes of the following districts (hereinafter "Participants"): [Redacted].

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, KSBA and District hereby
COVENANT AND AGREE to the following terms and conditions of the School Energy Managers
Project and to participate in the program as follows:

1. OBLIGATIONS OF District

1.1 District shall undertake the following obligations for itself and each of the Participants for
LGE-KU served K-12 schools and further agrees that such terms shall be binding as applicable
on the participating districts sharing resources as provided in the premises:

1.1.1 Employ an Energy Manager to comply with the energy management grant
awarded to District by KSBA beginning July 1, 2016 and continuing through June
30, 2018 to serve itself and the Participants;

1.1.2 Develop a job description for the energy manager position that includes the
following responsibilities:

- Assist district energy committee with implementation and
  maintenance of district EMP.

- Analyze utility bill correctness and develop baselines to facilitate
  computation of ongoing energy savings.

- Facilitate and/or conduct building energy assessments and identify
  actions to enhance efficient use of energy.

- Review existing building operation procedures and implement revised
  procedures to facilitate more efficient energy use practices.

- Implement and support Energy Teams at the individual school level.

- Maintain accurate records and databases for efficient program
  monitoring and evaluation.

- Communicate efficient energy usage practices and achievements to
  faculty, staff, students and the community.

- Evaluate opportunities for ENERGY STAR Certification and develop and
  implement practices to achieve such certification.

- Participate in Professional Development opportunities to better
  understand relationship between energy management, school districts
  and its relationship to educational, financial and environmental goals
  and objectives.
• Collaborate with teachers in developing energy efficiency as a core curriculum element.

1.1.3 ANNUALLY the district shall submit to KSBA:

• An Energy Management Plan ("EMP") and identify anticipated savings as consistent with KRS 160.325;

• An Energy Management Report ("EMR") also consistent with KRS 160.325;

• An Energy Management Work Plan which details the activities to achieve an annual 2.5 percent Energy and Demand Reduction:

1.1.3.1 A WORK PLAN developed by:

• Auditing the district's facilities and identifying energy efficiency improvements which will improve the districts energy utilization;

• Developing a comprehensive list and cost of the identified Energy Conservation Measures (ECMs);

• Prioritizing and creating a timeline for implementation of the ECMs;

• Presenting for approval by the District Energy Team the ECMs into SCHEDULED short-term and long-term activities to be recommended to the Superintendent and Board of Education for budget inclusion and action.

1.1.4 QUARTERLY (within 45 days of the end of the quarter), the district and Energy Manager shall report:

• Total monthly electric and gas demand and energy usage separated by LGE-KU and non LGE-KU service and by demand billed and non-demand billed on forms provided KSBA.

• A list of the annual WORK PLAN activities implemented during the quarter.

• Provide invoice(s) and supporting documentation quarterly as required to KSBA for costs to be reimbursed subject to terms of this Agreement;

1.1.5 MONTHLY, the district shall provide KSBA monthly timesheets for the Energy Manager that shows time spent for each district served by the Energy Manager;

1.1.6 As APPLICABLE, the district and Energy Manager shall also:
• Provide for its Energy Manager to participate in energy management training, as coordinated by KSBA;

• Certify one or more new ENERGY STAR Rated Schools

• Support student energy team projects

1.1.7 Comply with the applicable requirements of the attached Program Agreement, which is attached and is hereby incorporated into this AGREEMENT;

1.1.8 Retain all records relating to the Project for at least three (3) years after the end of the term of this AGREEMENT;

2. OBLIGATIONS OF KSBA

2.1 KSBA shall undertake the following obligations:

2.1.1 Pay District the amounts for each participant as listed under “LGE-KU Funding” as set forth on Attachment A or until termination of the MOA, whichever occurs earlier, prorated on a monthly basis as allowed by the terms of the Program Agreement

2.1.2 Payment will be made no less than quarterly within 30 days of receipt of payroll records from District;

2.1.3 Assist with the training, coaching and the establishment, monitoring and evaluation of performance goals of the Energy Manager;

2.1.4 Coordinate planning and scheduling of technical and professional development for the Energy Manager;

2.1.5 Assist the Districts in complying with the requirements of KRS 160.325 and Board Policy 05.23;

2.1.6 Facilitate development of an Energy Manager Sharing Agreement with the participating districts, as needed;

2.1.7 Assist the Energy Manager in communicating with the school administration and the local community regarding the program.
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 the AGREEMENT, and no party shall have any claim against the other party for reimbursement of such costs.

3.3 District agrees and understands that this AGREEMENT allows for a potential grant funding source which, subject to conditions of the grant and as set out herein, may apply towards certain costs of energy positions and District further agrees and understands that District shall be solely responsible for any and all legal, statutory, contractual, and financial obligations (over and above proper application of grant funding, including, but not limited to employee benefits) which apply by and between District and individuals hired by District in energy related positions. Nothing herein shall be deemed to create an employment or third party beneficiary or contractual relationship between individuals hired by the district in energy related positions and KSBA, the Commonwealth of Kentucky, or any agency thereof.

4. TERM OF AGREEMENT
4.1 It is agreed and understood that this AGREEMENT shall run from July 1, 2016 through June 30, 2018, or until termination of the Program Agreement as otherwise provided herein.

5. CANCELLATION

5.1 This AGREEMENT can be terminated without cause by mutual consent of the parties following thirty (30) days prior written notice to the other party, by the district upon giving of sixty (60) days written notice to KSBA prior to July 1, 2017 or by KSBA at any time upon depletion of the grant funding and for cause as provided for in paragraph 3.1.

6. NOTICE

6.1 Notices required under this agreement shall be mailed by registered or certified mail, or hand-delivered, to the District Schools’ Superintendent at the address at the beginning of this AGREEMENT and to the KSBA Executive Director at the address at the beginning of this AGREEMENT.

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

AGREED TO BY:

Kentucky School Boards Association

Mike Armstrong, Executive Director

Date: 6-2-16

District School Board of Education

Board Chairperson

Attested by: Board Secretary

Date:__________________

Date:__________________
Energy Manager salary capped at $55,000 to receive 50% match

KU-LGE Funds allocated based on K-12 schools in their service area

State will fully fund health Insurance and retirement benefits similar to other non-federal employees.

Districts are responsible for local provided benefits, office expense and travel

**Assumptions**

- 21 Schools constitute a FTE Energy Manager Position
- $50,000 Salary
- 50% LGE-KU Match # of LGE-KU Schools Only

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<th>% FTE based on students</th>
<th>% LGE-KU Schools</th>
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