

Introduced by: Smith, Mayor
Date: 08/02/11
Hearing: 09/06/11
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2011-30**

**AN ORDINANCE ENACTING KPB CHAPTER 16.06 REQUIRING SERVICE AREAS
TO PERFORM ENERGY AUDITS AND RECOMMEND FOR IMPLEMENTATION
THOSE MEASURES WITH APPROPRIATE RETURN ON INVESTMENT**

- WHEREAS,** Kenai Peninsula Borough service areas have been created by citizens who desired the proposed government service; and
- WHEREAS,** taxpayers have a right to expect that government services will be delivered in the most efficient manner at the lowest cost practical for providing the service; and
- WHEREAS,** elected officials have an obligation to mandate efficient delivery of government services; and
- WHEREAS,** the Kenai Peninsula Borough does not have an adopted policy guide instructing employees and service areas on the issues of reducing energy use and waste in government operations; and
- WHEREAS,** operating costs for Kenai Peninsula Borough service areas, with the exception of the hospital service areas, are almost exclusively paid from property taxes; and
- WHEREAS,** as the non-profit boards managing borough hospitals currently pay facility operation costs through fees for services, operation expenses impact the hospitals' ability to improve services; and
- WHEREAS,** most service areas do not have optimum energy-conserving electrical and mechanical equipment, facilities or practices, which results in excessive operational costs; and
- WHEREAS,** service areas can reduce operational costs by implementing energy conservation measures (ECM) and energy policies directing energy conservation and waste reduction; and
- WHEREAS,** lower operating costs for service areas will provide opportunities for decreased tax rates and/or additional money for implementing service area goals; and
- WHEREAS,** service areas are typically not equipped with sufficient staff or resources to plan and implement appropriate ECMs; and

WHEREAS, service areas may not have sufficient reserve funds to pay for energy audits or ECMs; and

WHEREAS, KPB 5.08.025 authorizes service areas to borrow money from the general fund for the purpose of financing the acquisition of land or capital improvements; and

WHEREAS, service area facility upgrades and most ECM Projects are capital improvements; and

WHEREAS, grants are available for government facilities with energy conservation needs which have been identified and planned;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That a new chapter of the KPB code of ordinances, Chapter 16.06, is hereby enacted as follows:

**KPB CHAPTER 16.06
SERVICE AREA ENERGY CONSERVATION PROGRAM**

16.06.010. Purpose. The purpose of this chapter is to establish policies and procedures for conserving the consumption of energy by borough service areas to reduce waste and associated costs.

16.06.020. Policy Guidelines. The administration shall develop an Energy Policy Guide for reducing energy use and waste in local government operations and present it to the assembly for approval by ordinance within 4 months of enactment of this chapter. Promptly upon assembly approval the administration shall provide the Energy Policy Guide to all service areas. For service areas formed after such date, the Energy Policy Guide shall be distributed within 2 months of service area establishment.

16.06.030. Energy Audits.

A. Requirement to Obtain Energy Audits. Subject to assembly appropriation and availability of funds, every service area shall obtain an energy audit of their respective operations and owned facilities within 12 months of enactment of this chapter. Service areas formed after enactment of this chapter shall obtain an energy audit within 12 months of the service area establishment. Additional energy audits shall be conducted approximately once every ten years and an audit of any new facility shall be conducted within 12 months of its acquisition or construction.

B. Contents of Energy Audits. The energy audit shall:

1. Identify opportunities for energy conservation;
2. Provide a comparison of cost to implement and projected resulting cost savings within a period of at least 10 years;
3. Detail the work necessary to implement the identified Energy Conservation Measures (ECMs) with a payback of 10 years or less.

16.06.040. Energy Audit and ECM Project funding.

- A. Funds for energy audits and ECM Projects may be provided by service area funds or through a loan from the general fund, in accordance with KPB 5.08.025, as approved by the assembly.
- B. Funds for ECM Projects may be provided by grants, if grant funds are committed within 12 months of assembly approval of the Project.
- C. Funds for the audit and ECM Projects for hospital facilities with a plant replacement and expansion fund may be provided by the respective hospital plant replacement and expansion fund subject to applicable contractual and legal requirements.

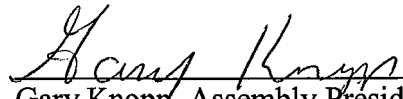
16.06.050. Service Area Board Review. Service area boards and authorized operating boards shall review and recommend to the assembly a project implementing all or a portion of an ECM Project when based upon findings indicating that the Project is practical to implement and the costs are reasonably expected to be recovered within 10 years.

16.06.060. Assembly Approval Required. Assembly approval is required prior to the implementation of any proposed ECM Project. Such approval may be by resolution, provided that the appropriation of funding for such projects shall be by ordinance as required by law.

16.06.070. Performance of Energy Audits and ECM Projects. Energy audits and ECM Projects shall be conducted by the appropriate qualified borough departments, contractors hired in accordance with the borough purchasing code, or partially in-house and partially through contracts at the discretion of the mayor. The mayor may authorize independent organizations that operate service area facilities under contract with the borough to obtain and manage energy audits and ECM Projects subject to borough review and approval.

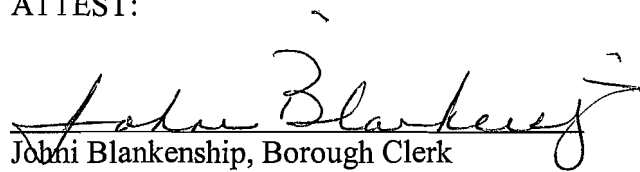
SECTION 2. That this ordinance takes effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF SEPTEMBER, 2011.

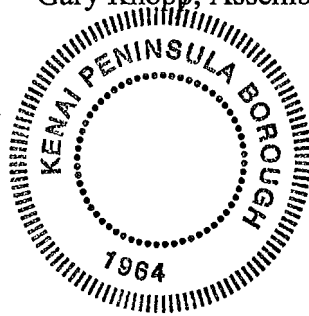


Gary Knopp, Assembly President

ATTEST:



Johni Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None