



# LAKE AND PENINSULA SCHOOL DISTRICT



December 10, 2019

Dr. Michael Johnson, Commissioner  
Alaska Dept. of Education and Early Development  
801 West 10<sup>th</sup> Street, Suite 200  
PO Box 110500  
Juneau, AK 99811-0500

Dear Commissioner Johnson,

I am writing in regards to the conversations we have had in regards to Lake and Pen's Maintenance Program audit finding. To recap:

*During our 2019 audit of the Maintenance Department it was determined that the District was deficient in reporting the measurement of recovery heat exchange. It has been the district's stance that the utilities are responsible to provide measurement and it shouldn't be the responsibility or a cost to the district to do so. At sites where this data is reported in the form of invoices, the District records it.*

*Further, the District engineering and installing waste heat monitors to give EED their monthly energy numbers is not only cost prohibitive (engineering, purchase, installation, air charters) but it also paves the way for the utilities to start charging us for recovery heat. Where monitors are in place, we pay fifty cents on the dollar for displaced waste heat. Where monitors are not in place we receive no-cost waste heat. So, what we have tried to explain is that the cost of installing recovery heat monitors is only the start, ultimately what is now a free resource in some villages, will start coming at a cost which is going to be tens of thousands of dollars. We currently have 9 sites producing recovery heat and only three measure and charge us for the BTU measurements.*

*Many villages understand that the district is a key partner in their generation facilities. We often provide land, infrastructure, maintenance and the ability for them to cool their generators by displacing their recovery heat. In some cases, the recovery heat has to be on continuously to cool the power plant so the heat we are receiving is often more than needed. Furthermore, if we monitor and are charged for this excess, it simply does not make sense.*

*To sum this up, right now we are fortunate to be receiving free heat from a number of our villages. We understand that with their financial situations, this will be short-lived. We have explained to your department that eight out of the nine sites where there is, or will be, recovery heat exchange have or are planning for BTU measurement. We ask that the burden of installing and measuring recovery heat not be put on the district. It is clearly the utility's responsibility to provide the measurement, and in most cases is being planned for with future renovations.*

*If the district is to take responsibility for this, it will be at a cost that we simply cannot afford. One would think that in this case we could apply under the CIP program for the project but instead we are labeled non-compliant and unable to apply for funds through the State. This simply does not make sense for LPSD, anything you can do for us would be much appreciated.*

We discussed the fact that the intent of this statute wasn't necessarily meant to punish well-meaning districts or cost them substantial monies. We also discussed the possibility of changing the existing statute - Section 4 AAC 31.013 - [Effective until 11/28/2019] Preventive maintenance and facility management.

**Specifically, the following section:**

**(2) an energy management plan that includes recording energy consumption for all utilities on a monthly basis for each building; for facilities constructed before December 15, 2004, a district may record energy consumption for utilities on a monthly basis when multiple buildings are served by one utility plant;**

If the State simply added the following language it would help Lake and Pen School District and many others who are fortunate enough to receive no-cost waste heat from their local utilities.

**(2) an energy management plan that includes recording energy consumption, which incurs cost, for all utilities on a monthly basis for each building; for facilities constructed before December 15, 2004, a district may record energy consumption for utilities on a monthly basis when multiple buildings are served by one utility plant;**

On behalf of Lake and Peninsula School District, and my School Board I greatly appreciate your consideration and effort in this matter. Like you mentioned "accepting non-compliance" should not be an option and a more progressive approach would be to try to invoke change. Thank you for your help and we look forward to working with you.

Respectfully,



Ty Mase, Superintendent

