



Mayor Jim Gray

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
Division of Grants and Special Programs

**TO:** JIM GRAY, MAYOR  
URBAN COUNTY COUNCIL

**FROM:** IRENE GOODING, DIRECTOR  
DIVISION OF GRANTS AND SPECIAL PROGRAMS

**DATE:** MAY 10, 2013

**SUBJECT:** REQUEST COUNCIL AUTHORIZATION TO SUBMIT APPLICATION, AND EXECUTE MEMORANDUM OF AGREEMENT IF APPROVED, TO THE KENTUCKY DEPARTMENT FOR LOCAL GOVERNMENT UNDER THE ENERGY EFFICIENCY AND CONSERVATION FOR LOCAL GOVERNMENTS PROGRAM

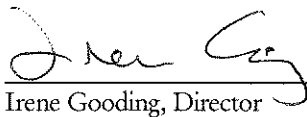
The Division of Environmental Policy has prepared an application requesting state funds from the Kentucky Department for Local Government under the Energy Efficiency and Conservation for Local Governments Program to support an Energy Savings Performance Contract at the Detention Center. If approved for funding the LFUCG will be required to sign a Memorandum of Agreement with the Kentucky Department for Local Government to engage the services of an energy service company to identify and implement cost-effective solutions to reduce utility consumption at the Fayette County Detention Center.

The Detention Center consumes more energy than any other facility owned by LFUCG, including waste water treatment plants. In the 'buildings' category, it represents 20% of the total floor area and 30% of all energy used. Energy assessments conducted in 2012 and the age of most equipment suggest that utility conservation measures of 10-30% are possible. The project will focus on lighting, HVAC, refrigeration and hot water applications.

The application requests funding in the amount of \$100,000 from the Kentucky Department for Local Government. An ESCO (energy service company) will be selected through a competitive process, and an energy savings performance contract (ESPC) will be negotiated and executed. This ESPC will require the approval of the Urban County Council and the Kentucky Department for Local Government. Other funds to support the capital expense will come from the ESCO guarantee on utility savings.

The Kentucky Energy Efficiency and Conservation for Local Government's (EEC) program is part of an on-going effort by the Department for Local Government to assist city and county governments reduce their energy consumption, thereby reducing greenhouse gas emissions, as well as benefitting taxpayers through lower utility costs for local governments.

Council authorization to submit application and to authorize the Mayor to sign a Memorandum Of Agreement (MOA) that will outline the procedures for hiring an ESCO to implement a performance contract.

  
Irene Gooding, Director

Xc: Richard Moloney, Commissioner of the Department of Environmental Quality and Public Works

HORSE CAPITAL OF THE WORLD