



Petersburg School District
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January 27, 2016

The Honorable Mr. Mark Jensen and Members of the Borough Assembly
Borough of Petersburg
PO Box 329
Petersburg, AK 99833

Dear Mayor Jensen and Members of the Petersburg Borough Assembly,

The School District has enjoyed a long and positive relationship with the Petersburg Borough, and appreciates the consistent local contribution to our educational program. Since 2007, the District has made the same request of \$1.8 million, and this year is no exception. In the face of decreasing state funds, as well as the loss of the federal Secure Rural Schools funds, we are also requesting a municipal power rate to help offset these reductions.

The District's budget flexibility is constrained by state and federal regulations. Approximately 14% of our funds can be used discretionarily. If a municipal rate were adopted, it would begin to offset the loss of the Secure Rural Schools funds at an earlier stage, while freeing up existing funds to maintain other necessary educational programs. As you are aware, in addition to the utility bills relevant to the school facilities, the District also pays the electrical usage on the Aquatic Center's electric boilers (Acct # 38022) and on the Community Gym/Craft Room (Acct # 7867). It is important to note that the District pays for the water and sewer on the latter account as well. With respect to electrical usage during the past two fiscal years, these two accounts consumed nearly double, the wattage at 2,736,080 KWH; whereas, the school buildings combined used 1,459,409 KWH.

The District prides itself on its diligence to reduce operating costs and energy consumption in particular. With respect to electrical usage alone, Petersburg School District has reduced its KWH usage by 7%. Our energy patterns are monitored monthly and charted allowing for corrective measures if needed. This provides a reasonably predictable baseline from which to budget. Currently, the District does not manage the two Borough facilities, which consume 47% more electricity. Our analysis of the utility bills for those two accounts suggests that the usage patterns

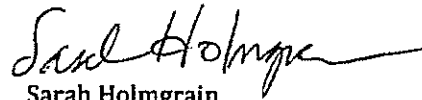
are much less predictable, probably not monitored as closely and scrutinized; and therefore, difficult to budget for. We are not questioning oversight of Parks and Rec, but rather commenting on the decreased expenditures that have resulted in the School District with closer digital monitoring of the temperature and energy consumption. The current arrangement with Parks and Rec provides little control over our costs and ability to reduce consumption.

Thank you for your serious consideration of our request for a municipal rate. A municipal rate could have the added benefit of providing some budget relief to other municipal buildings, should the assembly choose to adopt it.

Respectfully,



Erica Kludt-Painter
Superintendent



Sarah Holmgrain
School Board President

Cc: Steve Giesbrecht, Borough Manager
Petersburg School District Board members