

REFERENCE TITLE: schools; energy and water savings

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2496

Introduced by
Representatives Mason, Burns J, Senators Aboud, Aguirre, Blendu,
O'Halleran: Representatives Ableser, Adams, Bradley, Campbell CH, Clark,
DeSimone, Hershberger, Konopnicki, Nelson, Reagan, Ulmer, Senators Bee,
Flake, Tibshraeny

AN ACT

AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING
SECTION 15-910.02; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 9, article 1, Arizona Revised Statutes,
3 is amended by adding section 15-910.02, to read:

4 15-910.02. Energy and water savings funds

5 A. EACH SCHOOL DISTRICT AND CHARTER SCHOOL MAY ESTABLISH AN ENERGY AND
6 WATER SAVINGS FUND THAT CONSISTS OF A DESIGNATED POOL OF CAPITAL INVESTMENT
7 MONIES TO FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL FACILITIES. A
8 SCHOOL DISTRICT OR CHARTER SCHOOL MAY DEPOSIT IN THE FUND MONIES FROM ONE OR
9 MORE COMPANIES THAT PROVIDE UTILITY, ENERGY OR WATER SERVICES TO THE SCHOOL
10 DISTRICT OR CHARTER SCHOOL PURSUANT TO CONTRACTS THAT ARE EXECUTED BETWEEN
11 THE COMPANIES AND THE SCHOOL DISTRICT OR CHARTER SCHOOL AND THAT ARE DESIGNED
12 TO SAVE ENERGY OR WATER IN SCHOOL FACILITIES.

13 B. THE AUDITOR GENERAL AND THE DEPARTMENT OF EDUCATION SHALL PRESCRIBE
14 THE APPROPRIATE DESIGNATION OF THE ENERGY AND WATER SAVINGS FUNDS IN THE
15 UNIFORM SYSTEM OF FINANCIAL RECORDS AND SHALL PRESCRIBE REPORTING
16 REQUIREMENTS ON THE APPROPRIATE BUDGET FORMS AND ANNUAL FINANCIAL REPORT
17 FORMS.

18 C. MONIES DEPOSITED IN AN ENERGY AND WATER SAVINGS FUND SHALL BE USED
19 AS A DESIGNATED POOL OF CAPITAL INVESTMENT MONIES TO PAY FOR THE INCREMENTAL
20 COST OF ENERGY OR WATER SAVINGS MEASURES IN SCHOOL FACILITIES THAT ARE OWNED
21 OR OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL. ANY CONTRACT ENTERED
22 INTO PURSUANT TO THIS SECTION SHALL CONTAIN AN AGREEMENT BETWEEN THE UTILITY,
23 ENERGY OR WATER SERVICES COMPANY AND THE SCHOOL DISTRICT OR CHARTER SCHOOL
24 THAT EACH PARTY HAS PERFORMED A REASONABLE INVESTIGATION TO DETERMINE THAT
25 THE MEASURES CONTEMPLATED BY THE CONTRACT WILL RESULT IN STATED ENERGY OR
26 WATER SAVINGS. CONTRACT TERMS MAY EXTEND, UP TO THE EXPECTED LIFE OF THE
27 ENERGY OR WATER SAVINGS MEASURES, THE PERIOD OF THE CAPITAL INVESTMENT
28 REPAYMENT SCHEDULE PRESCRIBED IN SUBSECTION G OF THIS SECTION, OR TWENTY-FIVE
29 YEARS, WHICHEVER IS SHORTER.

30 D. EXPENDITURES FROM AN ENERGY AND WATER SAVINGS FUND SHALL BE USED
31 ONLY FOR THE FOLLOWING:

32 1. PROJECTS OR MEASURES PURSUANT TO A CONTRACT PURSUANT TO THIS
33 SECTION THAT SAVE ENERGY OR WATER IN SCHOOL FACILITIES THAT ARE OWNED OR
34 OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL. MONIES MAY BE USED
35 PURSUANT TO THIS PARAGRAPH TO PROVIDE TECHNICAL ASSISTANCE REGARDING ENERGY
36 OR WATER SAVINGS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS.

37 2. THE REPAYMENT TO THE UTILITY, ENERGY OR WATER SERVICES COMPANY OF
38 CAPITAL INVESTMENT MONIES DEPOSITED IN THE FUND PLUS REASONABLE CARRYING
39 CHARGES PURSUANT TO THE TERMS OF THE CONTRACT.

40 E. SCHOOL DISTRICTS AND CHARTER SCHOOLS SHALL PROCURE ENERGY OR WATER
41 SAVINGS MEASURES OR SERVICES WITH MONIES DISTRIBUTED FROM THE ENERGY AND
42 WATER SAVINGS FUNDS.

43 F. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES
44 OR SERVICES, THE UTILITY, ENERGY OR WATER SERVICES COMPANY SHALL COMPUTE AND
45 THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL REVIEW AND APPROVE THE ESTIMATED
46 AMOUNT OF THE ENERGY OR WATER SAVINGS AND THE ASSOCIATED IMPACT ON ENERGY OR

1 WATER COSTS TO BE ACHIEVED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL ON AN
2 ANNUAL AND MONTHLY BASIS OVER THE EXPECTED LIFE OF THE MEASURES, AND SHALL
3 INCLUDE THESE ESTIMATES IN THE CONTRACT. THE UTILITY, ENERGY OR WATER
4 SERVICES COMPANY AND THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL UPDATE THE
5 ANNUAL AND MONTHLY ENERGY OR WATER SAVINGS AND ASSOCIATED COST IMPACT
6 ESTIMATES ANNUALLY BASED ON ACTUAL EXPERIENCE.

7 G. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES
8 OR SERVICES, THE UTILITY, ENERGY OR WATER SERVICES COMPANY AND THE SCHOOL
9 DISTRICT OR CHARTER SCHOOL SHALL JOINTLY DEVELOP A SCHEDULE OF MONTHLY
10 PAYMENTS FOR REPAYMENT OF THE CAPITAL INVESTMENT MONIES TO THE UTILITY,
11 ENERGY OR WATER SERVICES COMPANY. THE REPAYMENT SCHEDULE SHALL RESULT IN
12 LOWER ENERGY OR WATER COSTS FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL OVER
13 THE LIFE OF THE INSTALLED MEASURES THAN THE SCHOOL DISTRICT OR CHARTER SCHOOL
14 WOULD HAVE EXPERIENCED WITHOUT THE INSTALLATION OF THE MEASURES. THE
15 REPAYMENT SCHEDULE SHALL BE INCLUDED IN THE CONTRACT.

16 H. THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL TRANSFER ON A MONTHLY
17 BASIS THE AMOUNT OF THE MONTHLY PAYMENT PRESCRIBED IN SUBSECTION G OF THIS
18 SECTION TO THE ENERGY AND WATER SAVINGS FUND FROM THE MAINTENANCE AND
19 OPERATION PORTION OF THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S BUDGET TO
20 REPAY ANY UNPAID BALANCE OF THE CAPITAL INVESTMENT PREVIOUSLY DEPOSITED IN
21 THE ENERGY AND WATER SAVINGS FUND FROM THE UTILITY, ENERGY OR WATER SERVICES
22 COMPANY PLUS A REASONABLE CARRYING CHARGE. FOR THE PERIOD OF TIME THAT THE
23 COMPANY'S CAPITAL INVESTMENT MONIES AND REASONABLE CARRYING CHARGE REMAIN
24 UNPAID, THE UTILITY, ENERGY OR WATER SERVICES COMPANY SHALL PROVIDE A
25 SEPARATE BILLING OR BILLING COMPONENT TO REPAY THE CAPITAL INVESTMENT ON A
26 MONTHLY BASIS, PURSUANT TO THE REPAYMENT SCHEDULE PRESCRIBED IN SUBSECTION G
27 OF THIS SECTION, WHICH SHALL BE PAID BY THE SCHOOL DISTRICT OR CHARTER SCHOOL
28 FROM THE ENERGY AND WATER SAVINGS FUND.

29 I. AFTER THE BALANCE OF THE UTILITY, ENERGY OR WATER SERVICES
30 COMPANY'S CAPITAL INVESTMENT MONIES DEPOSITED IN THE ENERGY AND WATER SAVINGS
31 FUND PLUS A REASONABLE CARRYING CHARGE ARE REPAYED IN FULL BY THE SCHOOL
32 DISTRICT OR CHARTER SCHOOL, THE SCHOOL DISTRICT OR CHARTER SCHOOL MAY
33 DISCONTINUE THE DEPOSIT IN THE ENERGY AND WATER SAVINGS FUND OF AMOUNTS THAT
34 ARE PRESCRIBED IN SUBSECTION H OF THIS SECTION.

35 J. ANY MONIES ASSOCIATED WITH AN ENERGY OR WATER SAVINGS PROJECT
36 REMAINING IN THE ENERGY AND WATER SAVINGS FUND AFTER THE CAPITAL INVESTMENT
37 MONIES OF THE UTILITY, ENERGY OR WATER SERVICES COMPANY PLUS A REASONABLE
38 CARRYING CHARGE ARE REPAYED IN FULL MAY BE TRANSFERRED TO THE MAINTENANCE AND
39 OPERATION PORTION OF THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S BUDGET, AND
40 THE GENERAL BUDGET LIMIT MAY BE INCREASED BY THE AMOUNT TRANSFERRED.

41 K. EACH SCHOOL DISTRICT OR CHARTER SCHOOL MAY ANNUALLY RETAIN UP TO
42 TWENTY PER CENT OF THE ANNUAL COST SAVINGS THAT RESULT FROM THE ENERGY OR
43 WATER SAVINGS MEASURES IF THE BALANCE OF THE ANNUAL ENERGY OR WATER COST
44 SAVINGS IS SUFFICIENT TO MAKE THE PAYMENTS IN THE REPAYMENT SCHEDULE
45 PRESCRIBED IN SUBSECTIONS G AND H OF THIS SECTION. THE SCHOOL DISTRICT OR
46 CHARTER SCHOOL MAY TRANSFER THIS TWENTY PER CENT OF THE ANNUAL COST SAVINGS

1 TO THE MAINTENANCE AND OPERATIONS PORTION OF THE SCHOOL DISTRICT'S OR CHARTER
2 SCHOOL'S BUDGET, AND THE GENERAL BUDGET LIMIT MAY BE INCREASED BY THE AMOUNT
3 TRANSFERRED.

4 L. SCHOOL DISTRICTS OR CHARTER SCHOOLS SHALL NOT USE OR DEPOSIT ANY
5 EXCESS UTILITIES MONIES PURSUANT TO SECTION 15-910 IN THE ENERGY AND WATER
6 SAVINGS FUND.

7 M. SCHOOL DISTRICTS OR CHARTER SCHOOLS MAY DEPOSIT REBATE OR GRANT
8 MONIES IN THE ENERGY AND WATER SAVINGS FUND TO ASSIST IN FUNDING ENERGY OR
9 WATER SAVINGS PROJECTS. SUCH REBATE OR GRANT MONIES SHALL BE USED TO REDUCE
10 THE TOTAL COST OF ENERGY OR WATER SAVINGS PROJECTS AND TO REDUCE THE AMOUNT
11 OF CAPITAL INVESTMENT MONIES RECEIVED FROM AND REPAYED TO UTILITY, ENERGY OR
12 WATER SERVICES COMPANIES. SCHOOL DISTRICTS OR CHARTER SCHOOLS ARE NOT
13 REQUIRED TO REPAY THE REBATE OR GRANT MONIES IN THE MANNER DESCRIBED IN
14 SUBSECTION H OF THIS SECTION, PURSUANT TO THE AGREEMENTS WITH THE PROVIDERS
15 OF REBATE OR GRANT FUNDS.

16 N. SCHOOL DISTRICTS OR CHARTER SCHOOLS MAY DEPOSIT MONIES FROM OTHER
17 FUNDING SOURCES, INCLUDING FROM CLEAN RENEWABLE ENERGY BONDS, IN THE ENERGY
18 AND WATER SAVINGS FUND TO FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL
19 FACILITIES. SUCH MONIES SHALL BE REPAYED IN A MANNER CONSISTENT WITH THIS
20 SECTION AND PURSUANT TO THE CONTRACT BETWEEN THE SCHOOL DISTRICT OR CHARTER
21 SCHOOL AND THE PROVIDER OF SUCH FUNDING.

22 O. NOTHING IN THIS SECTION IS INTENDED TO IMPOSE AN OBLIGATION ON ANY
23 ENERGY UTILITY, WATER UTILITY, PUBLIC SERVICE CORPORATION OR AGRICULTURAL
24 IMPROVEMENT DISTRICT TO INVEST FUNDS OR CONTRACT WITH ANY SCHOOL DISTRICT OR
25 CHARTER SCHOOL.