



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

Topic: Consideration for Approval of Application for the “Cool Chillers HVAC Loan Program” Provided by the State Energy Conservation Office (SECO) of the State of Texas Comptroller’s Office

Submitted by: Dr. Edith Landeck and Enrique Rangel, P.E. **Of:** Grants Dept. & Facilities and Energy Mgmt. Dept.

Approved for transmittal to school board: September 21, 2022

The Administration recommends approval to submit an application to the “Cool Chillers HVAC Loan Program” offered by the State Conservation Office (SECO) of the State Comptroller’s Office. This program will provide a funding source with a very low interest rate of 0.25% for replacement of HVAC Central Plant Chillers for various campuses. The loan repayment term is 15 years. The Grants Administration Dept. will be assisting the Energy and Facilities Dept. in preparing and submitting the Loan Application to the State Energy Conservation Office State Agency for consideration for approval.

Loan Program Summary

The “Cool Chillers HVAC Loan Program” enables public entities to replace 12-year-old or older chillers and associated equipment. Loan recipients may include cities, counties, independent school districts, state agencies, public institutions of higher education and tax-supported public hospital districts. Approximately \$40 million in loan funding will be made available under this NOLFA/RFA. This program will exclusively utilize repaid ARRA funds and will require ARRA compliance reporting. Loan applications will be reviewed on a first come-first-serve basis.

The maximum loan amount is \$3 million. A public entity may apply for up to two loans. The interest rate will be 0.25%. All loan disbursements are on a reimbursement basis. The program maximum loan repayment term is 15 years. There will be no loan prepayment penalties.

Solicitation Details

- Loan applications reviewed on a first-come-first-serve basis.
- Maximum loan amount shall not exceed \$3,000,000.
- Project construction shall be completed within twenty-four months from the contract full execution date.
- Two loans maximum per entity.
- Interest rate is 0.25%.
- The loan repayment term is fifteen (15) years. There are no prepayment penalties.
- Loan repayments will be made on a quarterly basis.

Rationale:

The District Facilities Dept. has a HVAC Chiller replacement master plan that includes several chillers that are over 15 years old and are in dire need of replacement. This funding opportunity offers the opportunity to upgrade our systems district-wide to ensure a long-term efficient and reliable air conditioning system for our students and staff. Staff has complied with all applicable federal, state and local purchasing policies and procedures in obtaining pricing information for the items listed above.

Budgetary Information:

Payment Program from General Fund

Board Policy Reference and Compliance

CV Legal – Facilities Construction

Texas Education Code 44.031, 44.035, 44.035, 44.036, and 44.039

