



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC:** Approval of LoanSTAR Loan Agreement with State Energy Conservation Office (SECO)

**SUBMITTED BY:** Cesar Trevino **OF:** Director of Energy/Management

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** November 19, 2014

**RECOMMENDATION:**

Administration recommends approval of the LoanSTAR Loan Agreement with the State Energy Conservation Office (SECO) in the amount of \$7,500,000.00 for the implementation of Energy Cost Reduction Measures (ECRM). These loan funds will be provided by the State Energy Conservation Office (SECO) of the Texas Comptroller of Public Accounts Office, as part of the State-funded program available to school districts and universities to improve energy efficiency in their facilities. The LoanStar funds will be used to retrofit the interior lighting in all district buildings (School Campuses and Departments), exterior lighting district wide (using LED lighting fixtures), the replacement of two HVAC central chillers equipment at Alexander High School, the correction of electrical distribution power factor in all high schools primary meters, and the commissioning of HVAC systems at United South High School and Alexander High School.

**RATIONALE:** The implementation of this Cost Reduction Measures will reduce electricity consumption resulting in estimated savings to the district in the amount of \$ 901,408.00 per year. The life expectancy of these energy reduction measures will exceed the payback period (8.3 years) in an average of 17 years after the equipment cost is recovered.

**BUDGETARY INFORMATION:** Funds to be provided by State Conservation Office (SECO), State Comptroller of Public Accounts in the amount of \$7,500,000.00, to be paid over a 10 year loan term at 2% interest rate.

**BOARD POLICY REFERENCE AND COMPLIANCE:** Policy CV