

MINUTES
GWCCA FINANCE COMMITTEE MEETING
August 24, 2015
1:30 p.m.
Executive Board Room

Finance Committee Members Present:

Steve Adams
David Allman, Chairman
Brian Daniel
Lee Hunter, Ex-Officio
Doug Tollett

Finance Committee Members Absent:

Bill Jones

GWCC Staff Present:

Dale Aiken
Kevin Duvall
Frank Poe
Pargen Robertson
Josh Robison
Richard Sawyer
Patrick Skaggs
Sherrie Spinks
Mark Zimmerman

Guests:

Kristofor Anderson, GEFA
Kevin Clark, GEFA
Cameron Griffith, Trane USA
Bob Johnson, Hannon Armstrong
Chris Jones, CFO – GEFA
Diana Pope, GSFIC
Mark Schnetzka, Trane USA
Earle Taylor, GEFA SAG

Chair Allman called the meeting to order at 1:39 p.m. He asked for a motion to approve the May 5, 2015 Finance Committee meeting minutes.

A motion to approve the May 5, 2015 Finance Committee meeting minutes was made by Doug Tollett, seconded by Steve Adams, and unanimously approved.

The Board received a briefing on the proposed Guaranteed Energy Savings Performance Contracting project at the April 2015 Board meeting. At that time, the Board charged staff to present project funding options to the GWCCA Finance Committee for approval. Today the options will be presented. A number of guests at today's meeting have been involved with the funding process. As a reminder, the Georgia Environmental Finance Authority (GEFA) manages the Guaranteed Energy Savings Performance Contract process. The savings are used to pay the financing cost of the equipment and are guaranteed by the Vendor (in this case Trane). Trane has identified over \$28M in energy conservation projects with a guaranteed savings over the life of the project of \$40.7M (\$2.5M/year). Projects identified include the following.

<u>Project</u>	<u>Total Cost</u>	<u>Proposed Savings (year 1)</u>
B Central Plant	\$10,488,561	\$646,451
Interior Lighting	\$9,510,752	\$912,959
GWCC Exterior Lighting	\$3,836,494	\$407,262
Park Exterior Lighting	\$839,247	\$66,864
Water / Kitchen	\$909,526	\$192,427

Water Feature Motor Upgrades	\$15,586	\$2,150
Buildings A & C Retro-commissioning	\$138,663	\$42,698
Exhibit Hall Lighting	\$2,690,904	\$276,884

Since April, GEFA submitted term sheets to the four pre-qualified banks (Pinnacle, U.S. Bank, JP Morgan Chase, SunTrust) to determine the best financing rate. The first two submittals resulted in no responses. In June, GEFA and GSFIC approved for Trane and the Authority to add additional financial institutions to the pool and a term sheet was issued again to the original four and an additional five groups (Hannon Armstrong, Wells Fargo, Sterling National Bank, Metrus Energy, Onset Financial). Hannon Armstrong responded positively to the request.

In response to the State's law which prohibits assigning a security interest in the financed equipment, the team determine the best path to satisfy the credit concerns was to utilize the Authority's intergovernmental agreement with the Department of Economic Development as signatory to the agreement with Trane and Hannon Armstrong. At this time, Bob Johnson with Hannon Armstrong provided an overview of their company and the financing program.

Next steps include:

- Moving program forward to the Board for action;
- If approved, finalize all contract documents;
- Obtain GEFA approval – August 25, 2015
- Obtain GSFIC Board approval – September 2, 2015;
- Obtain DEcD Board approval – date to be determined; and
- Lock rate, execute contracts, and begin work.

DEcD is aware of the project and the Governor's Office is in alignment with the program. GWCC Engineering would conduct the day-to-day maintenance on the equipment and Trane would conduct quarterly maintenance to ensure the equipment is being maintained as appropriate.

Staff recommends Committee approval to recommend moving forward with the Guaranteed Energy Savings Performance Project funding to the full Board at the August 25, 2015 Board meeting.

A motion to recommend moving forward with the Guaranteed Energy Savings Performance Project funding to the full Board at the August 25, 2015 Board of Governors meeting was made by Doug Tollett, seconded by Steve Adams, and unanimously approved.

There being no further business, the meeting adjourned at 2:03 p.m.

Respectfully submitted:

Approved:

Dale Aiken, Assistant Secretary

David Allman, Chair