

**OFFICIAL MINUTES OF THE BOARD OF TRUSTEES
BRADY INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees for the Brady Independent School District met in special session at 3:00 p.m. on Tuesday, March 29, 2016 in the school administration building. The meeting was called to order by President Brentt Raybion at 3:02 p.m.

PRESENT Sandra Keith, Jim Kitchens, Michael Probst, Brendan Weatherman and Brentt Raybion
Ed Hernandez arrived at the meeting at 3:27 p.m.

ABSENT Fernando Lafuente

**PLEDGE &
PRAYER** Mr. Raybion

PUBLIC HEARING ON THE APPLICATION FOR A LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE & OPERATIONS TAXES SUBMITTED BY RATTLESNAKE POWER, LLC

Sara Leon of Powell-Leon and Danny Splettstosser, Senior Project Manager for Rattlesnake Power LLC introduced themselves. Mr. Splettstosser explained there are actually two projects for the wind turbines, Rattlesnake and Heart of Texas. The project was divided due to an endangered species of a bird that was located in a specific area. That area is located in what is known now as the Heart of Texas project. Because of the endangered species there is detailed paperwork that must be submitted and approved before construction can take place. It was decided at that point to divide the project into two phases in order not to delay in the construction of the windfarm. The Rattlesnake project is the first phase which includes the majority of turbines that effect the district. This project involves 24 land owners, 10,000 acres, 64 wind turbines at \$4.1M per turbine, and 3 alternative locations within Brady ISD. The project spans over an area from part of Concho County to CR 152 in McCulloch County. The plan is for construction to begin late spring or early summer. There will be approximately 150-200 people working on the construction for about 1 year. These people are usually employees of the construction company however some work will be subcontracted out to local and regional companies. There are 3 phases in the construction of the wind farms. First the "civil" phase is where foundations, roads, trenches, all ground work is built. The second phase is the "electrical". This is where all electrical lines are laid. The first two phases should be completed by the end of the year. The third and last phase is the "mechanical" phase. This is when the turbines are assembled and made ready for operation. Approximately eight turbines per week can be made ready for operation. The wind farm should be in full operation by early to mid-2017. After all construction is completed there will be five permanent employees that will remain to oversee the operation and maintenance of the turbines. Each turbine has a "useful" life of 25-30 years. There are two options for turbines once they have reached the end of their "useful" life. One option is to renew the lease with land owners, remove completely the old turbines and erect brand new ones. The second option is to remove all equipment and turbines down to 3 feet below the ground and restore the land as close to the original state as possible. Should land be destroyed while the turbines are in operation the companies insurance should pay for the damages. The second project, Heart of Texas, will include land that is from CR 152 to Hwy. 283. This will involve approximately 12 land owners and about 10 additional turbines. Mr. Splettstosser stated the district could receive up to \$1.86M in revenue over the term of the contract. One advantage of the wind farms is the long term low cost energy which is very marketable at this time. When asked who actually owns the turbines he stated Rattlesnake is only the construction company. There are Fortune 100 companies who actually front the \$208M project in which entitles them to be called the owners. He stated this is a win/win for the district.

PUBLIC COMMENT RELATIVE TO THE APPLICATION FOR A LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES SUBMITTED BY RATTLESNAKE POWER, LLC

There were no public comments or questions addressed. The public hearing ended at 3:44 p.m.

CONSIDERATION AND POSSIBLE ACTION ON FINDINGS UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION FOR A LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

Ms. Leon addressed the members concerning the findings of the Rattlesnake project. The Texas Comptroller has approved the application that was submitted in November 2015. The Comptroller reviewed the Value of Limitation Agreement and found all was in order. Should anything change within the district's financial system causing the district to lose funds the company will make up the loss to the district. The findings of the financial impact is based on assumptions which can change at any time. At this time the M&O tax rate is \$1.040. There is inconsistency in placing a value on the wind farms from county to county. Because of this chief tax appraisers are being challenged especially when a project extends over more than one county. For the first 10 years only \$25M will be considered taxable value. Anything over \$25M will not be taxed. In year 1 (2017-2018) of the project there is an estimated loss in revenues to the district in the amount of \$1.4M. At that time an invoice for the exact amount will be sent to Rattlesnake Power and the company will reimburse the loss to the district. The district will also receive in addition from Rattlesnake Power \$100 per ADA which is approximately \$124,500 beginning with the 2016-2017 school year and ending with the 2030-2031 school year. The district should receive the first installment of revenue in June 2017 and then January of each year thereafter until the year end of the contract. Installments will be determined from the value of the wind farm which is reckoned every year. The additional funds will give the district options such as paying off existing debts or use it for maintenance and operational expenses. Should the district choose to construct a building for example there will still be a bond election however the tax rate will be significantly lower due to the additional funds received. Ms. Leon stated the agreement is set up to protect the district and has been approved by the Comptroller. She recommended the district approve the findings as presented by Rattlesnake Power. A motion was made by Mr. Probst, seconded by Ms. Keith and carried 6-0 to approve the Findings under the Texas Economic Development Act on the Application for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes as presented by Rattlesnake Power and explained by Ms. Leon.

CONSIDERATION AND POSSIBLE ACTION ON Agreement under the Texas Economic Development Act for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes with Rattlesnake Power, LLC.

Ms. Leon agreed that this is a win/win situation for the district and recommended the agreement be approved and signed by the district. A motion was made by Mr. Kitchens, seconded by Mr. Weatherman and carried 6-0 to approve and sign the Agreement under the Texas Economic Development Act for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes with Rattlesnake Power, LLC.

ADJOURN With no further business a motion was made by Mr. Weatherman, seconded by Mr. Kitchens and carried 6-0 to adjourn the meeting at 4:15 p.m.