



# MINUTES

## 1305<sup>th</sup> Meeting of the Board of Directors April 24, 2006

Mrs. Mack called the meeting to order at 1:15 P.M. Present were:

### DIRECTORS

Mrs. Gladys Mack  
Mr. Charles Deegan  
Mr. Christopher Zimmerman  
Mr. Robert Smith

### STAFF

Mr. Daniel Tangherlini  
Mr. Charles Woodruff  
Mr. Mark Pohl

Mr. Emeka Moneme  
Mr. Gregory Garback  
Ms. Judy O'Leary

### APPROVAL OF AGENDA:

The Agenda was approved.

### Approval of Resolution to Apply for Clean Renewable Energy Bonds (CREBs):

Mrs. Mack referred the Board to the request for: 1) authorization to file the appropriate applications with the United States Treasury for permission to issue Clean Renewable Energy Bonds (CREBs) by April 26, 2006; and 2) negotiate all appropriate documents with the joint venture of Allco Finance Group, Limited and SunEdison, LLC, or any of its subsidiaries, subject to Board approval of all final transaction documents. The United States Congress enacted the Energy Policy Act of 2005, creating a bond program for governmental entities to encourage the installation of renewable energy generation facilities under which the federal government will pay the interest on any of the CREBs authorized by the United States Treasury. The Authority has

received an unsolicited proposal from a financial arranger to provide the Authority with the funds to pay for the principal on the CREBs in return for an agreement with the Authority to purchase at a fixed rate the electricity generated from the solar energy equipment. Staff has reviewed the proposal for compliance with the provisions governing consideration of unsolicited proposals in the WMATA Procurement Procedures Manual and has determined that the proposal complies with those requirements. Staff has reviewed and discussed the proposal with its financial advisor, identified ten appropriate locations for the solar energy equipment and has determined that acceptance of the proposal is in the Authority's best interests. The Authority's use of solar energy generation equipment will provide environmental benefits to the Washington Metropolitan Area.

Mrs. Mack moved, seconded by Mr. Deegan, that the Board approve the Resolution for the request for: 1) authorization to file the appropriate applications with the United States Treasury for permission to issue Clean Renewable Energy Bonds (CREBs) by April 26, 2006; and 2) negotiation of all appropriate documents with the joint venture of Allco Finance Group, Limited and SunEdison, LLC, or any of its subsidiaries, subject to Board approval of all final transaction documents.

Mr. Zimmerman requested information regarding the process for filing this application, associated costs and technical aspects of the program. Staff stated the Energy Tax Incentives Act of 2005 makes a provision for clean renewable energy bonds (CREBs) for the financing of qualified clean renewable energy projects. WMATA received an unsolicited proposal from Allco and its partner, SunEdison LLC (ASE) in mid-March 2006 to design, build, operate, and maintain (DBOM) solar energy facilities under the program. The application filing deadline is April 26, 2006 and there is no application fee. The Authority may experience one-time costs of up to approximately \$350,000 for bond counsel and financial advisor costs, miscellaneous bond issuance costs and adjacent construction and inspection costs. The Authority will have an annual power savings of approximately \$75,000 or \$1,500,000 over the 20-year life of the deal. Staff has favorably evaluated the technical, engineering, legal, and financial aspects of the program and identified facilities where installation would be appropriate. These facilities include: Shady Grove Yard, Greenbelt Yard, Branch Avenue Yard, West Falls Church Yard, Glenmont Yard, New Carrollton Yard, Alexandria Yard and S&I Shop, Carmen Turner Maintenance and Training, Brentwood Major Repair Transit Yard. Staff stated no complications have been identified with the facilities and the partnership will have to go through the entire permitting process on the Authority's behalf.

Mr. Deegan requested information regarding the issuance of the bonds and the use of solar energy panels. Staff stated the key benefits of going solar under this proposal include owning solar systems facilities without any capital expenditures; pay a fixed price for the electricity generated by the solar system for 20 years which can be used as a hedge against ever-increasing utility prices; reduce peak demand usage as the solar systems provide power during peak

demand hours; secure alternative energy sources to reduce reliance on power generated by fossil fuels; and show an environmental commitment that will translate into a positive boost in community and public relations.

Staff stated the key proposal points under the ASE will include: agree to install solar systems at the Authority's designed facilities; provide maintenance upkeep and monitoring of the system for a period of twenty years and make payments to the Authority in an amount equal to the bond service payments due under the CREBs. WMATA will agree to grant access to the facility for the installation and maintenance of the solar system for a period of twenty years and to purchase the electricity generated by the solar system for a period of twenty years. The price paid by the Authority for the electricity generated by the solar system will be fixed at a rate that is slightly less than the amount presently paid by the Authority to its utility provider and will escalate a rate of 2% per annum.

Mr. Smith requested information regarding the costs covered in the agreement should there be special permitting provisions for screens and the engineer's configuration of the electrical sites. Staff stated any special provisions required by the local jurisdiction's permit process will be negotiated at no cost to the Authority. Staff stated the engineers have reviewed the configuration of electrical sites and internal distribution of power into the line will be part of the agreement with Allco to design, construct, install, maintain and will be performed by ASE at no additional expense to the Authority under the terms of the agreement

Mr. Deegan requested information regarding the life span of the roofs for the proposed sites. Staff stated the engineers have determined the feasibility and life span of the roofs for each site. The panels would be installed after the roofs have been rehabilitated.

Mrs. Mack requested information regarding the process for contacting jurisdictions to meet the building requirements for the sites identified and the time frame of the program. Staff stated the normal building construction permit application process will be followed in each of the local jurisdictions, and it will be the responsibility of the partnerships to secure the necessary permit requirements. When the Authority is notified of the allocation of CREBs, it has five years to install the panels at the facilities identified on the application. Mrs. Mack requested an analysis be made after the allocation of the CREBs to determine any additional costs associated with the installation of the panels. Staff stated it will return to the Board and negotiate any costs or additional requirements.

Ayes: 4 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Smith

A copy of the approved Resolution (2006-23) has been made a part of the official file.

Mr. Tangherlini acknowledged staff for their initiative and effort to explore this exciting opportunity within the program's deadline.

Mrs. Mack thanked Mr. Tangherlini and staff for advancing this innovative proposal forward.

This meeting was adjourned at 1:43 P.M.



Emeka Moneme, Chief of Staff