



Legislation Text

File #: 24-2416, **Version:** 1

Department: Management and Budget

Department Head/Elected Official: Daniel Ramos, Executive Director

Regular or Supplemental RCA: Regular RCA

Type of Request: Financial Authorization

Project ID (if applicable): N/A

Vendor/Entity Legal Name (if applicable): N/A

MWDBE Contracted Goal (if applicable): N/A

MWDBE Current Participation (if applicable): N/A

Justification for 0% MWDBE Participation Goal: N/A - Goal not applicable to request

Request Summary (Agenda Caption):

Request for approval and signature on the amendments of the Cool Chillers HVAC Loan Program applications offered by the State Energy Conservation Office.

Background and Discussion:

The State Energy Conservation Office (SECO) is offering the "Cool Chillers HVAC Loan Program", which enables public entities to replace 12-year-old or older chillers and associated equipment. The loan offers an interest rate of 0.25%, which is lower than the current Public Infrastructure Bond (PIB) interest rate of 4.5%.

The 3 chillers at 1111 Fannin buildings are at their end of life, with an average age of 50 years old. Harris County will be eligible to submit 2 loans. Loan 1 will be for purchasing and installing 2 chillers, totaling to \$2,298,000 and loan 2 will be for purchasing and installing 1 chiller, at \$1,149,000. The total of the 2 loans is \$3,447,000 to replace the 3 chillers.

SECO reviewed and approved Harris County's applications on 11/14/2023 and received the signed contract on 1/4/2024. This RCA requests approval to accept proposed amendments to the "Cool Chillers HVAC Loan Program" loan between Harris County and The State Energy Conservation Office (SECO). SECO will fully execute the contract after this RCA request is approved and the amendments are signed by the County Judge.

Expected Impact:

Based on OMB's calculation, the net present value total payment will be \$5.09M using the 2 loans, which is approximately a \$2.6M saving compared to using PIB.

Alternative Options:

We can choose to not proceed with the applications, and replace the chillers using regular commercial paper or PIB.

Alignment with Goal(s):

- ☐ Justice and Safety
- ☐ Economic Opportunity
- ☐ Housing
- ☐ Public Health
- ☐ Transportation
- ☐ Flooding
- ☐ Environment
- ☒ Governance and Customer Service

Prior Court Action (if any):

Date	Agenda Item #	Action Taken
6/27/2023	25	Approved - Request for approval to submit an application for a loan from the Cool Chillers HVAC Loan Program offered by the Texas State Energy Conservation Office
8/29/2023	36	Request for approval and signature on the Revised Cool Chillers HVAC Loan Program applications offered by the State Energy Conservation Office.
12/5/2023	28	Request that the County Judge execute two loan agreements with the Texas State Energy Conservation Office as a part of the low-interest Cool Chillers HVAC Loan Program for the purchase and installation of a total of three chillers at 1111 Fannin.

Location:

Address (if applicable):

Precinct(s): [Choose an item.](#)

Fiscal and Personnel Summary

Service Name				
	Current Fiscal Year Cost			Annual Fiscal Cost
	Labor	Non-Labor	Total	Recurring Expenses
Funding Sources				
Existing Budget				
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$

Total Current Budget	\$	\$	\$	\$
Additional Budget Request (<i>Requires Fiscal Review Request Form</i>)				
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Total Additional Budget Request	\$	\$	\$	\$
Total Funding Request	\$	\$	\$	\$
Personnel (Fill out section only if requesting new PCNs)				
Current Position Count for Service	-	-	-	-
Additional Positions Request	-	-	-	-
Total Personnel	-	-	-	-

Anticipated Court Date: 4/23/2024

Anticipated Implementation Date (if different from Court date):

Emergency/Disaster Recovery Note: Not an emergency, disaster, or COVID-19 related item

Contact(s) name, title, department: Amiel Chen, CIP Manager, OMB

Attachments (if applicable):

SECO Amendment Attachment