



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

November 3, 2017

Brandon McDowell
Superintendent
Loraine Independent School District
800 S Lightfoot
Loraine, Texas 79532

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Loraine Independent School District
and Third Planet Windpower, LLC, Application 1196

Dear Superintendent McDowell:

On September 15, 2017, the Comptroller issued written notice that Third Planet Windpower, LLC (applicant) submitted a completed application (Application 1196) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 19, 2017, to the Loraine Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1196.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2017.

Note that any building or improvement existing as of the application review start date of September 15, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Third Planet Windpower, LLC (project) applying to Loraine Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Third Planet Windpower, LLC.

Applicant	Third Planet Windpower, LLC
Tax Code, 313.024 Eligibility Category	Renewable Electric Energy Generation
School District	Loraine ISD
2016-2017 Average Daily Attendance	150
County	Mitchell
Proposed Total Investment in District	\$130,000,000
Proposed Qualified Investment	\$130,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	4*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$923
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)B	\$894
Minimum annual wage committed to by applicant for qualified jobs	\$48,000
Minimum weekly wage required for non-qualifying jobs	\$776
Minimum annual wage required for non-qualifying jobs	\$40,366
Investment per Qualifying Job	\$62,500,000
Estimated M&O levy without any limit (15 years)	\$12,890,756
Estimated M&O levy with Limitation (15 years)	\$6,184,760
Estimated gross M&O tax benefit (15 years)	\$6,750,995

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 4 examines the estimated direct impact on ad valorem taxes to the school district Mitchell County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the Mitchell County and Mitchell County Hospital.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Loraine ISD I&S Tax Levy	Loraine ISD M&O Tax Levy	Loraine ISD M&O and I&S Tax Levies	Mitchell County Tax Levy	Mitchell County Hospital Tax Levy	Lone Wolf Groundwater District Tax Levy	Estimated Total Property Taxes
				0.3800	1.1700		0.5750	0.3957	0.0226	
2019	\$123,500,000	\$30,000,000		\$469,300	\$351,000	\$820,300	\$142,025	\$97,741	\$27,894	\$1,087,959
2020	\$113,620,000	\$30,000,000		\$431,756	\$351,000	\$782,756	\$130,663	\$89,921	\$25,662	\$1,029,003
2021	\$104,530,000	\$30,000,000		\$397,214	\$351,000	\$748,214	\$120,210	\$82,727	\$23,609	\$974,760
2022	\$96,168,000	\$30,000,000		\$365,438	\$351,000	\$716,438	\$110,593	\$76,109	\$21,721	\$924,862
2023	\$88,475,000	\$30,000,000		\$336,205	\$351,000	\$687,205	\$101,746	\$70,021	\$19,983	\$878,955
2024	\$81,397,000	\$30,000,000		\$309,309	\$351,000	\$660,309	\$93,607	\$64,419	\$18,384	\$836,719
2025	\$74,885,000	\$30,000,000		\$284,563	\$351,000	\$635,563	\$86,118	\$59,266	\$16,914	\$797,860
2026	\$68,894,000	\$30,000,000		\$261,797	\$351,000	\$612,797	\$79,228	\$54,524	\$15,560	\$762,110
2027	\$63,382,000	\$30,000,000		\$240,852	\$351,000	\$591,852	\$72,889	\$50,162	\$14,315	\$729,218
2028	\$58,311,000	\$30,000,000		\$221,582	\$351,000	\$572,582	\$67,058	\$46,149	\$13,170	\$698,958
2029	\$53,646,000	\$53,646,000		\$203,855	\$627,658	\$831,513	\$308,465	\$212,283	\$12,116	\$1,364,377
2030	\$49,354,000	\$49,354,000		\$187,545	\$577,442	\$764,987	\$283,786	\$195,299	\$11,147	\$1,255,219
2031	\$45,406,000	\$45,406,000		\$172,543	\$531,250	\$703,793	\$261,085	\$179,677	\$10,255	\$1,154,809
2032	\$41,774,000	\$41,774,000		\$158,741	\$488,756	\$647,497	\$240,201	\$165,304	\$9,435	\$1,062,437
2033	\$38,432,000	\$38,432,000		\$146,042	\$449,654	\$595,696	\$220,984	\$152,080	\$8,680	\$977,440
			Total	\$4,186,741	\$6,184,760	\$10,371,502	\$2,318,655	\$1,595,682	\$248,847	\$14,534,686
			Diff	\$0	\$6,705,995	\$6,705,995	\$4,016,545	\$2,764,158	\$0	\$13,486,699

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Third Planet Windpower, LLC

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Third Planet Windpower, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2019	\$351,000	\$351,000	\$1,093,950	\$1,093,950
	2020	\$351,000	\$702,000	\$978,354	\$2,072,304
	2021	\$351,000	\$1,053,000	\$872,001	\$2,944,305
	2022	\$351,000	\$1,404,000	\$774,166	\$3,718,471
	2023	\$351,000	\$1,755,000	\$684,158	\$4,402,628
	2024	\$351,000	\$2,106,000	\$601,345	\$5,003,973
	2025	\$351,000	\$2,457,000	\$525,155	\$5,529,128
	2026	\$351,000	\$2,808,000	\$455,060	\$5,984,187
	2027	\$351,000	\$3,159,000	\$390,569	\$6,374,757
	2028	\$351,000	\$3,510,000	\$331,239	\$6,705,995
Maintain Viable Presence (5 Years)	2029	\$627,658	\$4,137,658	\$0	\$6,705,995
	2030	\$577,442	\$4,715,100	\$0	\$6,705,995
	2031	\$531,250	\$5,246,350	\$0	\$6,705,995
	2032	\$488,756	\$5,735,106	\$0	\$6,705,995
	2033	\$449,654	\$6,184,760	\$0	\$6,705,995
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$413,677	\$6,598,437	\$0	\$6,705,995
	2035	\$380,578	\$6,979,015	\$0	\$6,705,995
	2036	\$350,134	\$7,329,149	\$0	\$6,705,995
	2037	\$322,124	\$7,651,274	\$0	\$6,705,995
	2038	\$296,349	\$7,947,623	\$0	\$6,705,995
	2039	\$284,497	\$8,232,120	\$0	\$6,705,995
	2040	\$284,497	\$8,516,617	\$0	\$6,705,995
	2041	\$284,497	\$8,801,114	\$0	\$6,705,995
	2042	\$284,497	\$9,085,612	\$0	\$6,705,995
	2043	\$284,497	\$9,370,109	\$0	\$6,705,995

\$9,370,109

is greater than

\$6,705,995

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Third Planet Windpower, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Third Planet Windpower LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Third Planet Windpower, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Third Planet Windpower, LLC has begun early stage due diligence work to explore the feasibility of constructing a wind facility at this site. As such, certain contracts have been executed including agreements to site and install meteorological monitoring equipment, wind study reports, lease and easement agreements with landowners, and contracts with environmental contractors to explore environmental impacts of the proposed project. None of these contracts obligates Third Planet Wind power, LLC to construct the project. In addition to the noted activities, Third Planet Wind power, LLC is also exploring off take, hedging contracts, and financing options.”
 - B. “Third Planet Windfarm has developed wind projects in Texas and Nebraska and is currently in the early exploratory stages of assessment and development of projects in California, Montana, and the US Virgin Islands. The potential economic return of this project will be compared to the potential returns from other locations outside of Texas. Third Planet Wind power has access to limited capital, human and turbine resources, and must pick the best projects to advance, as a company with the economic return is the primary input for this decision. The Texas wholesale electricity prices are well below the national average making it even more necessary to limit operating costs such as property tax to be able to offer competitively priced power.”

- C. "Third Planet Windpower's proposed project in Loraine, Texas consists of 100 MW of capacity and is located adjacent to its existing Loraine Wind park Project. Construction of the project started in 2009-10. Construction was abandoned after this basic infrastructure was installed primarily because of collapsing wholesale power prices and the concurrent US financial crisis. Since this time, Federal Production Tax Credit (PTC) have been unavailable to allow to the project to move forward at profitable returns. Recent (December 2016) IRS Section 45 tax code special guidance has allowed projects like these -that have started and stopped construction -to reinstate PTC eligibility. This eligibility is conditioned upon completing construction and achieving in-service status no later than December 31, 2018. Failure to meet the 2018 in-service date will render the project ineligible for PTC indefinitely thereafter. Given the above circumstances, Third Planet Wind power recognizes a narrow window to complete this 100 MW project."
- D. "Electric cooperatives, private companies, and city utilities are focused on low-cost energy supply, and contracting for the sale of electricity in Texas is currently highly competitive due to the number of wind projects and low wholesale power prices. Receiving the Appraised Value Limitation from the school district is vital to obtaining long-term financing and to maintaining the economic competitiveness of the project."
- E. "The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a Power Purchase Agreement (PPA). A signed PPA in the Texas market is at much lower rates than other states because of competitively low electric prices. Both parties of the PPA have escape clauses if the terms of the PPA cannot be met. Without tax incentives in Texas, a project with a PPA becomes non-financeable. As of the time of this application, Third Planet Windpower, LLC does not have a PPA. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited."
- According to the Loraine ISD Board Meeting Minutes dated May 15, 2017, "The District and Loraine Windpark discuss options for another Chapter 313 Agreement should they follow through with an expansion to the current wind park. They are estimating a \$150,000,000 to \$175,000,000 increase to the projects."
 - According to the Loraine ISD Board Meeting dated June 19, 2017, "Mali Hanley presented information to the board in regards to new proposed Chapter 313 agreement with Third Planet Windpower. This Chapter 313 Agreement would be structured differently than the original Chapter 313 Agreements."
 - Supplemental information provided by the applicant stated the following:
 - A. "A separate legal entity, Loraine Windpark Project Phase III, LLC, will be created but has not occurred yet, so it is currently under the Third Planet Windpower, LLC."
 - B. "The ERCOT GINR number is 18INR0068."

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

Attachments provided in Tab

5

of the Application for a
Limitation on Appraised
Value

Third Planet Windpower, LLC
Lorraine ISD Limitation of Value Application

Tab 5

Documentation to assist in determining if limitation is a determining factor

Section 8, #2: Has the applicant entered into any agreements, contracts, or letters of intent related to the proposed project?

Third Planet Windpower, LLC has begun early stage due diligence work to explore the feasibility of constructing a wind facility at this site. As such, certain contracts have been executed including agreements to site and install meteorological monitoring equipment, wind study reports, lease and easement agreements with landowners, and contracts with environmental contractors to explore environmental impacts of the proposed project. None of these contracts obligate Third Planet Windpower, LLC to construct the project. In addition to the noted activities, Third Planet Windpower, LLC is also exploring off take, hedging contracts, and financing options.

Section 8, #7: Is the applicant evaluating other locations not in Texas for the proposed project?

Third Planet Windfarm has developed wind projects in Texas and Nebraska and is currently in the early exploratory stages of assessment and development of projects in California, Montana and the US Virgin Islands. The potential economic return of this project will be compared to the potential returns from other locations outside of Texas. Third Planet Windpower has access to limited capital, human and turbine resources, and must pick the best projects to advance as a company with the economic return is the primary input for this decision. The Texas wholesale electricity prices are well below the national average making it even more necessary to limit operating costs such as property tax to be able to offer competitively priced power.

Third Planet Windpower's proposed project in Lorraine, Texas consists of 100 MW of capacity and is located adjacent to its existing Lorraine Windpark Project. Construction of the project started in 2009-10. Construction was abandoned after this basic infrastructure was installed primarily because of collapsing wholesale power prices and the concurrent US financial crisis. Since this time, Federal Production Tax Credit (PTC) have been unavailable to allow to the project to move forward at profitable returns. Recent (December 2016) IRS Section 45 tax code special guidance has allowed projects like these - that have started and stopped construction - to reinstate PTC eligibility. This eligibility is conditioned upon completing construction and achieving in-service status no later than December 31, 2018. Failure to meet the 2018 in-service date will render the project ineligible for PTC indefinitely thereafter. Given the above circumstances, Third Planet Windpower recognizes a narrow window to complete this 100 MW project.

Electric cooperatives, private companies and city utilities are focused on low-cost energy supply, and contracting for the sale of electricity in Texas is currently highly competitive due to the number of wind projects and low wholesale power prices. Receiving the Appraised Value Limitation from the school district is vital to obtaining long-term financing and to maintaining the economic competitiveness of the project. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a Power

AMENDED 7/28/2017

DUFF & PHELPS

Third Planet Windpower, LLC
Loraine ISD Limitation of Value Application

Purchase Agreement (PPA). A signed PPA in the Texas market is at much lower rates than other states because of competitively low electric prices. Both parties of the PPA have escape clauses if the terms of the PPA cannot be met. Without tax incentives in Texas, a project with a PPA becomes non-financeable. As of the time of this application, Third Planet Windpower, LLC does not have a PPA. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

The Board of Education of the Loraine Independent School District met in Regular Session on May 15, 2017 at 6:30 p.m. in the Board Room of the Loraine Public School.

MINUTES

I. Officers and Members Present:

Joe Lujan, President
Ron Gibson, Vice-President
Duane Linam, Secretary
Brian Butler
John Chaney
Frank Garcia, Jr.
Dwayne Smith

Members Absent:

None

II. School Officials Present:

Brandon McDowell, Superintendent
James Womack, Principal
Debbie Finley, Business Manager

III. Guests:

Amy Angel
Brody Wash

IV. Open Forum:

None

V. New Board members signed the Statement of Elected Officer and Notary Public, Debbie Finley, administered the Oath of Office. Reorganization of the board followed.

Mr. Lujan called for nominations for Board president. Mr. Chaney nominated Mr. Gibson, Mr. Linam nominated Mr. Lujan and Mr. Smith called for nominations to cease. Mr. Gibson was elected Board President with four votes and Mr. Lujan received two votes.

Mr. Lujan called for nominations for Vice-President. Mr. Garcia nominated Mr. Chaney, Mr. Gibson nominated Mr. Garcia. There were no other nominations and Mr. Garcia was elected Vice-President with three votes and Mr. Chaney received one.

Mr. Lujan called for nominations of secretary. Mr. Gibson nominated Mr. Chaney and Mr. Butler seconded. There being no other nominations, Mr. Chaney was elected secretary.

VI. Principal's Report:

- Enrollment stands at 167 and currently attendance is 93%.
- End of the year activities were reviewed as follows:
 - Pre-K visiting the Colorado City Public Library and eating pizza at the park.
 - 2nd Grade will be going to the Science Spectrum in Lubbock
 - K, 1st and 3rd and 4th will be visiting the Abilene Zoo on different days.
 - Tuesday is NHS Induction Ceremony
 - May 23 is the All Awards Banquet for JH and HS
 - Elementary Awards will be held during the week of May 20th.
 - Field Day will be held May 19th.

VII. Superintendent Report:

- The District was contacted by Loraine Windpark to discuss options for another Chapter 313 Agreement should they follow through with an expansion to the current wind park. They are estimating a \$150,000,000 to \$175,000,000 increase to the projects. The Chapter 313 Agreements have changed and the most the district would receive would be \$50,000 per year. The I&S values would see a significant increase.
- The preliminary tax values were received and they showed quite a decrease in values from the prior year. The appraisal office does hold back some value and also the mineral values are not current.
- Superintendent and Business Manager will be attending a workshop conducted by Dr. Doug Karr on the State Aid Template on June 12.
- An overview of Continued Ed for Board Members was discussed.
- Final STAAR test results could possibly be released by June 14. So far test results have been much improved over the last few years.
- The district is creating a new Web site and hope to have it up and running soon.
- Graduation is May 26 at 7:30 pm

VIII. Action Items:

A motion was made by Mr. Chaney to name Western Bank as the District Depository for the 2017-2019 Biennium to commence September 1, 2017 and

end August 31, 2019 and Mr. Butler seconded. The motion was passed unanimously.

A motion was made by Mr. Chaney to approve the minutes of April 17, 2017 as printed and Mr. Garcia seconded. The motion was passed unanimously.

A motion was made by Mr. Chaney to approve the expenditures and financial statements as presented and Mr. Smith seconded. The motion was passed unanimously.

A motion was made by Mr. Smith to approve the superintendent filing TEA Waiver for Low Attendance days on January 30, 31, February 1, 2, 3 and 9 and Mr. Garcia seconded. The motion was passed unanimously.

A motion was made Mr. Smith to approve the superintendent to file TEA waiver for staff development days for 2017-2018 school calendar and Mr. Linam seconded. The motion was passed unanimously.

A motion was made by Mr. Chaney to approve board resolution with Texas Educational Employment Benefit Cooperation (Dearborn Life Insurance) and Mr. Butler seconded. The motion was passed unanimously.

A motion was made by Mr. Chaney to approve the DAEP Interlocal Agreement with Colorado ISD and Mr. Garcia seconded. The motion was passed unanimously.

A motion was made by Mr. Linam to approve the overnight travel for Ag Leadership Camp at Howard College and Mr. Butler seconded. The motion was passed unanimously.

A motion was made by Mr. Chaney to allow superintendent to negotiate and purchase property at 701 S. Kindred and Mr. Butler seconded. The motion passed with Mr. Lujan, Mr. Garcia, Mr. Gibson, Mr. Chaney, Mr. Butler voting yes and Mr. Linam voting no and Mr. Smith abstaining from the vote.

Exited Open session.

Entered into Executive session at 7:32 p.m.

Exited Executive session at 7:42 p.m.

Reconvened in Open session.

A motion was made by Mr. Garcia to offer a one-year probationary contract to Paige Griggs and Mr. Chaney seconded. The motion was passed unanimously.

Future items for discussion at June 19 board meeting:

Page 4, Minutes of Regular Board Meeting, May 15, 2017

Goals for the superintendent for 2017-18 school year.

A motion was made by Mr. Garcia to adjourn and Mr. Chaney seconded. The motion was passed unanimously.

Meeting adjourned at 7:46 pm

These minutes are hereby approved as written, any additions, deletions or corrections have been stated and will reflect on next month's items of corrections.


Ron Gibson, President


John Chaney, Secretary

The Board of Education of the Loraine Independent School District met in Regular Session on June 19, 2017 at 6:30 p.m. in the Board Room of the Loraine Public School.

MINUTES

I. Officers and Members Present:

Ron Gibson, President
Frank Garcia, Vice-President
John Chaney, Secretary
Brian Butler
Joe Lujan
Duane Linam
Dwayne Smith

Members Absent:

None

II. School Officials Present:

Brandon McDowell, Superintendent
James Womack, Principal
Debbie Finley, Business Manager

III. Guests:

Mali Hanley Bob Daniels Jim Kutey Eva Salinas

IV. Open Forum:

Eva Salinas came before the board and discussed the STAAR scores in 6th grade and 7th grade. Sixth grade had 100% passing and seventh grade had 93% passing. She stated that she hoped the current administration would celebrate with the students and teachers for a successful year.

V. Action Items:

Mali Hanley presented information regarding the proposed amendments to the new proposed Chapter 313 agreement. This Chapter 313 Agreement would be structured differently than the original Chapter 313

value on eligible property for M&O taxes to \$30 million and no limit for I&S taxes. Annual supplemental payments of \$50,000 per year in years 1-13 of the agreement would be paid to the district and \$351,000 paid to M&O taxes for years 1-10. Discussion was held and possible action, to adopt the amended Board Policy CCG (Local) and CCG (Exhibit). Discussion was also held and

possible action taken to: accept the application of Loraine Windpark for an appraised value limitation on Qualified Property; authorize the superintendent to review the application for completeness and submit to the Comptroller; and authorize the superintendent to enter into any agreement to extend the deadline for board action beyond 150 days subject to board ratification. Before any action was taken, Ms. Hanley asked board members for conflict of interest and the following names were not eligible to vote in the proceedings:

- Joe Lujan
- Duane Linam
- John Chaney
- Brian Butler

Mr. Daniel and Mr. Kutey also presented information on the proposed project.

Mr. Chaney moved to amend Board Policy CCG (Local) and adopt CCG (Exhibit) and Mr. Garcia seconded. The motion was passed unanimously.

Mr. Garcia moved to accept Loraine Windpark Company's Application for an Appraised Value Limitation on Qualified Property, to authorize the Superintendent to review the Application for completeness and submit to the Comptroller, and to authorize the superintendent to enter into any agreement to extend the deadline for Board action beyond 150 day, subject to Board ratification and Mr. Smith seconded. The motion passed with Dwayne Smith, Frank Garcia and Ron Gibson voting yes and Mr. Butler, Mr. Chaney, Mr. Linam and Mr. Lujan abstaining.

Discussion was held, with possible action, to retain consultants to assist the District in processing of the application for Appraised Value Limitation on Qualified Property from Loraine Windpark.

Mr. Smith moved to retain Moak Casey and Associates and O'Hanlon, McCollum & Demerath to assist the District in processing the Loraine Windpark Company Application for Appraised Value Limitation on Qualified Property and Mr. Garcia seconded. The motion passed with Dwayne Smith, Frank Garcia and Ron Gibson voting yes and Mr. Butler, Mr. Chaney, Mr. Linam and Mr. Lujan abstaining.

- The district also ended the year with a 72% increase of students in CTE studies which adds funding to the district and also students graduating with endorsements.

VII. Superintendent Report:

- The overall STAAR scores proved to show much improvement.
- Superintendent and Business Manager attended a workshop to work on State Aide template. At this time, it appears there will be no new money added. Certified values will come out on or about July 26 and the numbers will be run again.
- The governor has called for a special session to begin July 18. Measures that may affect the funding will not be released until around the middle of August.
- Discussion was held on the TEAM of 8 training. This board training is required for board members.

VIII. Action Items:

A motion was made by Mr. Chaney to approve the minutes of May 15, 2017 as printed and Mr. Butler seconded. The motion was passed unanimously.

A motion was made by Mr. Smith to approve the expenditures and financial statements as presented and Mr. Linam seconded. The motion was passed unanimously.

A motion was made by Mr. Linam to approve the overnight trip for the State FFA Ag Convention in Corpus Christi and to have Mrs. Barrientez serve as a female sponsor and Mr. Butler seconded. The motion was passed unanimously.

A motion was made by Mr. Linam to adopt TASB Policy Update 108 as presented and Mr. Smith seconded. The motion was passed unanimously.

A motion was made by Mr. Linam to accept the PK-5 lunch prices as \$1.90 and grades 6-12 at \$2.10 and Mr. Chaney seconded. The motion was passed unanimously.

A motion was made by Mr. Linam to accept the PK-5 lunch prices at \$0.85 for grades PK-12 and Mr. Linam seconded. The motion was passed unanimously.

A motion was made by Mr. Smith to choose Option 3 for Chapter 41 purposes to equalize wealth and Mr. Chaney seconded. The motion was passed unanimously.

A motion was made by Mr. Chaney to approve the 2017-2018 superintendent goals for the superintendent and Mr. Garcia seconded. The motion was passed unanimously.

Exited Open session.

Entered into Executive session at 8:24 p.m.

Exited Executive session at 8:47 p.m.

Reconvened in Open session.

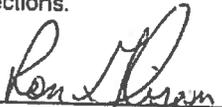
A motion was made by Mr. Garcia to accept the resignations of Abby Koch and Brandi Sheldon and Mr. Chaney seconded. The motion was passed unanimously.

A motion was made by Mr. Linam to offer a one-year probationary contract to Lori Garza and Mr. Chaney seconded. The motion was passed unanimously.

A motion was made by Mr. Linam to adjourn and Mr. Chaney seconded. The motion was passed unanimously.

Meeting adjourned at 8:53 pm

These minutes are hereby approved as written, any additions, deletions or corrections have been stated and will reflect on next month's items of corrections.


Ron Gibson, President


John Chaney, Secretary



COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Loraine ISD – Third Planet Windpower, LLC App. #1196

Comptroller Questions (via email on October 2, 2017):

1. *Is Third Planet Windpower, LLC project currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number.*

Applicant Response (via email on October 2, 2017):

1. *A separate legal entity, Loraine Windpark Project Phase III, LLC, will be created but has not occurred yet, so it is currently under the Third Planet Windpower, LLC.*
2. *The ERCOT GINR number is 18INR0068*