

South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, November 12, 2019 @ 5:30 p.m.

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

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 - A. Buenos Aires Windpower, LLC
 - B. Monte Cristo Windpower, LLC
 - C. La Joya Windpower, LLC
 - D. West Willacy Windpower, LLC (Monte Alto)

**Approval of October 8, 2019 Finance, Audit, and Human Resources Committee
Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of October 8, 2019 are presented for Committee approval.

**South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, October 8, 2019 @ 5:30 p.m.**

Minutes

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, October 8, 2019 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 6:10 p.m. with Ms. Rose Benavidez presiding.

Members present: Ms. Rose Benavidez, Mr. Paul R. Rodriguez and Mr. Rene Guajardo

Other Trustees Present: None

Members absent: Mr. Roy de León

Also present: Dr. Shirley A. Reed, Mrs. Mary Elizondo, Dr. David Plummer, Mr. George McCaleb, Mrs. Becky Cavazos, and Mr. Andrew Fish.

**Approval of September 10, 2019 Finance, Audit, and Human Resources
Committee Minutes**

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Minutes for the Finance, Audit, and Human Resources Committee Meeting of September 10, 2019 were approved as written. The motion carried.

**Review and Recommend Action on Award of Proposals, Purchases,
Renewals, and Interlocal Agreements**

Approval of the following award of proposals, purchases, renewals, and interlocal agreements will be requested at the October 29, 2019 Board meeting.

The Director of Purchasing has reviewed each item, including the procurement procedures and evaluation of all responses, and recommends approval as follows:

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommend for Board approval at the October 29,

2019 Board meeting the award of proposals, purchases, renewals, and interlocal agreements as listed below:

A. Award of Proposals

- 1) **Catering Services (Award):** award the proposal for catering services for the period beginning November 28, 2019 through November 27, 2020 with two one-year options to renew, at an estimated amount of \$85,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors	Vendors
Amigos Del Valle, Inc. (Edinburg, TX) (New)	Atencion Selecta, LLC./ dba Teresita's at Los Lagos (Edinburg, TX)
Bread and Butter Bakery Caffee (McAllen, TX) (New)	Luis Magdaleno/ dba Chick-Fil-A 27th & Nolana (McAllen, TX)
Chick-Fil-A Sharyland Towne Crossing (Mission, TX)	Coastal Deli, Inc./ dba Jason's Deli (Corpus Christi, TX)
Cornerstone Catering (Mission, TX)	Pizza Hut Muy Pizzas Tejas (San Antonio, TX)
Pizza Properties, Inc./ dba Peter Piper Pizza (El Paso, TX)	Siempre Natural (Mission, TX) (New)

- 2) **Fire Suppression Systems Service (Award):** award the proposal for fire suppression systems service to the following vendors, for the period beginning November 29, 2019 through November 28, 2020 with two one-year options to renew, at an estimated amount of \$211,587.00:

#	Services	Vendor	Amount
1	Fire Alarm Panels	Strongline Security & Fire (San Juan, TX)	\$20,300.00
2	Fire Alarm Repairs	Strongline Security & Fire (San Juan, TX)	\$60,000.00
3	Kitchen Hoods	1st FP McAllen, LLC. (McAllen, TX)	\$1,202.00
4	Kitchen Hoods Repairs	1st FP McAllen, LLC. (McAllen, TX)	\$10,000.00
5	Fire Sprinklers Inspections	1st FP McAllen, LLC. (McAllen, TX)	\$16,125.00
6	Fire Sprinklers Repairs	1st FP McAllen, LLC. (McAllen, TX)	\$70,000.00
7	Clean Agent Fire Suppression System Inspection	1st FP McAllen, LLC. (McAllen, TX)	\$3,960.00
8	Fire Extinguishers / Inspection Rates	El Fire & Safety, Inc. (Mission, TX)	\$10,000.00
9	Hydro Test Rates	El Fire & Safety, Inc. (Mission, TX)	\$10,000.00
10	Recharge Rates	El Fire & Safety, Inc. (Mission, TX)	\$10,000.00

- 3) **Truck Driver/Bus Driver Training (Award):** award the proposal for truck driver/bus driver training to **Vision Truck Driving School** (Dallas, TX) (New), for the period

beginning November 1, 2019 through October 31, 2020 with two one-year options to renew, at an 18% commission to the College retained from each student's tuition. This amount is the same for all the following trainings: Truck Driver, Bus Driver, and Truck Driver/Bus Driver combination;

B. Purchases and Renewals (B-a Instructional Item)

- 4) Industrial Supplies, Materials, and Accessories (Renewal):** renew the industrial supplies, materials, and accessories contracts for the period beginning November 25, 2019 through November 24, 2020, at an estimated amount of \$90,000.00, which is based on prior year expenditures. The vendors are as follows:
- **Burton Companies** (Weslaco, TX)
 - **Industrial Supplier Larey, Inc./ dba International Industrial Supply Company** (Brownsville, TX)
 - **MSC Industrial Supply Company** (Harlingen, TX)
 - **Rex Supply Company** (Pharr, TX)

B. Purchases and Renewals (B-b. Non-Instructional Item)

- 5) Reprographic Services (Renewal):** renew the reprographic services contract with **RGV Reprographic, Inc.** (McAllen, TX), for the period beginning December 12, 2019 through December 11, 2020, at an estimated amount of \$15,000.00, which is based on prior year expenditures;

B. Purchases and Renewal (B-c. Technology Items)

- 6) Course Management Support Services (Purchase):** purchase course management support services from **Blackboard, Inc.** (Indianapolis, IN), a sole source vendor, for the period beginning November 1, 2019 through October 31, 2020, at a total amount of \$65,000.00;
- 7) Microsoft Campus License Agreement (Renewal):** renew the Microsoft campus license agreement with **Software House International (SHI) Government Solutions, Inc.** (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning November 1, 2019 through October 31, 2020, at a total amount of \$174,139.86;

C. Interlocal Agreements

- 8) Facility Usage Interlocal Agreements (Lease/Rental):** lease/rental facility usage agreements with **the City of Edinburg** (Edinburg, TX), **City of McAllen** (McAllen, TX), and **City of Mission** (Mission, TX), for the period beginning November 1, 2019 through July 31, 2020, at an estimated amount of \$27,224.00;

Recommend Action - The total for all award of proposals, purchases, renewals, and interlocal agreements was \$667,950.86

The motion carried.

Review and Recommend Action to Revise Policy #5120: Investment Policy and Investment Strategy Statement

Approval of Policy #5120: Investment Policy and Investment Strategy Statement will be requested at the October 29, 2019 Board meeting.

Purpose – The Public Funds Investment Act (PFIA), Chapter 2256.005 (e) and the College's Policy requires the governing body of an investing entity to review its Investment Policy and Investment Strategy Statement not less than annually. The governing body must adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the Investment Policy and Investment Strategy Statement and that the written instrument so adopted shall record any changes made to either the Investment Policy or Investment Strategy Statement.

Justification – Revisions to Policy #5120: Investment Policy and Investment Strategy Statement were last approved and authorized on October 30, 2018. The administration brings the Investment Policy and Investment Strategy Statement to the Board of Trustees annually, as required.

Background – The College's Investment Policy and Investment Strategy Statement was submitted and reviewed by the Government Treasurers' Organization of Texas (GTOT). In May 2018, the College was awarded the Certificate of Distinction by the Government Treasurers' Organization of Texas (GTOT) for the Investment Policy. This Certificate is for a two-year period ending May 31, 2020.

Reviewers – The Investment Policy and the Investment Strategy Statement have been reviewed by staff and also by South Texas College's legal counsel, Valley View Consulting, LLC (Investment Advisor) and Carr, Riggs & Ingram, LLC (external auditors).

The current Investment Policy complied with the Public Funds Investment Act and required no revisions. While there were no revisions proposed, a formal record of the Board's approval would demonstrate that the Policy was reviewed in compliance with state law and policy.

Enclosed Documents – The Investment Policy and Investment Strategy Statement was provided in the packet for the Committee's information and review.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the October 8, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the revisions to Policy #5120: Investment Policy and Investment Strategy Statement as presented and which supersedes any previously adopted Board Policy. The motion carried.

Review and Recommend Action to Revise Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria

Approval to revise Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria, will be requested at the October 29, 2019 Board meeting.

Purpose – The proposed policy revisions would update the current policy, which was last revised by the Board in 1995.

Justification – The request for the revisions to the policy was necessary for the following reasons:

- To demonstrate compliance with:
 - ⇒ **Texas Education Code Section 130.089, Prohibited Employment of or Contracting With Former Trustees**, which states: “A public junior college may not employ or contract with an individual who was a member of the board of trustees of the junior college before the first anniversary of the date the individual ceased to be a member of the board of trustees.”
 - ⇒ **SACSCOC Principles of Accreditation Standard 4.1 (c)**, which requires, in part, that the presiding officer of the board and a majority of other voting board members are free of contractual and employment interest in the organization.

Background – Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria, was approved by the Board of Trustees on November 9, 1995.

Reviewers – The revised policy was reviewed by staff, the President’s Cabinet, President’s Administrative Staff, and/or by South Texas College legal counsel, Mr. Jesus Ramirez.

Enclosed Documents - The revised policy was provided in the packet for the Committee’s review and information.

The additions to the policy were highlighted in yellow.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed revisions to Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria, as presented and which supersedes any previously adopted Board policy. The motion carried.

Review and Recommend Action to Revise Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools

Approval to revise Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools will be requested at the October 29, 2019 Board meeting.

Purpose – Green Bank, Inter National Bank and Wallis State Bank are authorized banks that may engage in investment transactions with the college. The names for these banks have changed:

- Green Bank is now Veritex Bank,
- Inter National Bank is now Vantage Bank,
- Wallis State Bank is now Wallis Bank, and
- Coastal Securities is not FTN Securities.

The name changes and three additional banks were recommended to be added to the approved bank list, as follows:

- Bank OZK,
- Bank of South Texas, and
- BOK Financial

Finally, Administration recommended the addition of one broker/dealer:

- Multi-Bank Securities

The Texas Public Funds Investment Act (PFIA) requires that the Board of Trustees approve any broker and dealer firms that will be used to transact investment business with the College. In addition, the College's Investment Policy requires that the Board of Trustees approve any banks and investment pools that will be used to transact investment business with the College. As per Policy #5120: *Investment Policy* and Investment Strategy Statement and in accordance with the PFIA, the Board of Trustees shall at least annually, review, revise, and adopt a list of qualified Investment Providers.

Justification – The Resolution Authorizing Investment Brokers, Dealer, Banks, and Investment Pools was approved and authorized on August 28, 2018, as amended. A revised list of brokers, dealers, banks and investment pools, which contained the name changes for Green Bank, Inter National Bank, Wallis Bank, and Coastal Securities; the three additional banks, Bank OZK, Bank of South Texas, and BOK Financial; and the new Broker/Dealer Multi-Bank Securities was included in Exhibit "A".

Background – The Board adopted specific limitations on banks that could be used for College deposits with the adoption of Resolution Authorizing Investment Brokers, Dealers, Banks, and Investment Pools on August 28, 2018, as amended. Valley View Consulting, LLC, the investment advisor under contract with the College, has identified Veritex Bank, Vantage Bank, Wallis Bank, FTN Securities, Bank OZK, Bank of South Texas, BOK Financial, and Multi-Bank Securities and their offerings to be favorable to the College.

Reviewers – The Resolution was reviewed by Valley View Consulting, LLC (Investment Advisor) and was previously reviewed by South Texas College’s legal counsel. No changes are being presented except the name changes for Green Bank, Inter National Bankv Wallis Bank, and FTN Securities; the three additional banks Bank OZK, Bank of South Texas, and BOK Financial, and the new broker/dealer Multi-Bank Securities.

Enclosed Documents – The revised Resolution Authorizing Investment Brokers, Dealers, Banks, and Investment Pools was provided in the packet for the Committee’s information and review.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the October 8, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools as presented, and which supersedes any previously adopted Board Resolution. The motion carried.

Discussion and Action as Necessary on Terra-Gen Development Company, LLC, Tax Abatement Applications, Agreements, and Resolutions

- A. Buenos Aires Windpower, LLC
- B. Monte Cristo Windpower, LLC
- C. La Joya Windpower, LLC
- D. West Willacy Windpower, LLC (Monte Alto)

On October 2, 2019, Mr. Jesus Ramirez, South Texas College’s Legal Counsel, held a conference call with Mary Elizondo, Vice President for Finance and Administrative Services, and Myriam Lopez, Comptroller, to discuss the terms of the proposed agreement with Terra-Gen Development Company, LLC.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee deferred this issue for deliberation and action as necessary by the Board of Trustees. The motion carried.

Adjournment

There being no further business to discuss, the Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 6:17 p.m.

I certify that the foregoing are the true and correct Minutes of the October 8, 2019 Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees.

Mr. Roy de León
Committee Chair

Review and Recommend Action on Award of Proposals, Rejection of Proposal, Purchases, Renewal, and Interlocal Agreement

Approval of the following award of proposals, rejection of proposal, purchases, renewal, and interlocal agreement will be requested at the November 26, 2019 Board meeting.

The Director of Purchasing has reviewed each item, including the procurement procedures and evaluation of all responses, and recommends approval as follows:

- A. Award of Proposals**
- B. Rejection of Proposal**
- C. Purchases and Renewal**
 - a. Instructional Item**
 - b. Non-Instructional Items**
 - c. Technology Items**
- D. Interlocal Agreement**

A. Award of Proposals

1) Equipment Rental Services (Award)

Award the proposal for equipment rental services for the period beginning December 1, 2019 through November 30, 2020 with two one-year options to renew, at an estimated amount of \$120,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors	Vendors
Briggs Equipment (Pharr, TX)	Marentco, Inc./ dba Tejas Events and Tents (McAllen, TX)
Rental World (McAllen, TX)	Space Jump Rentals (Pharr, TX)

Purpose – Student Activities and the Office of Public Relations & Marketing rent various types of equipment, tables, chairs, linens, and stages for various College events.

Justification and Benefit – The rental services will be used for South Texas College sponsored events and student events at all campuses.

Background – Proposal documents were advertised on September 23, 2019 and September 30, 2019 and issued to thirteen (13) vendors. Five (5) responses were received on October 8, 2019 and reviewed by the Purchasing Department. One response was incomplete, therefore was not considered.

Funds for this expenditure are budgeted in Student Activities and the Office of Public Relations & Marketing budgets for FY 2019 – 2020.

2) In-Store Purchase of Materials and Supplies (Award)

Award the proposal for in-store purchase of materials and supplies for the period beginning November 27, 2019 through November 26, 2020 with two one-year options to renew, at an

estimated amount of \$160,000.00, which is based on prior year expenditures. The vendors are as follows:

- **HEB Grocery, Co.** (McAllen, TX)
- **Hobby Lobby Store** (McAllen, TX)
- **Sam's Club** (McAllen, TX)
- **Walmart** (Mission, TX)

Purpose – The in-store purchases of materials, supplies, and miscellaneous items are necessary throughout the College district for the Culinary Arts Program, Food Services, Science Programs (Biology and Chemistry) instructional labs, student activities events, professional development, South Texas College sponsored events, and division meetings.

Justification and Benefit – These items are needed for hosted events and meetings held at all South Texas College's campuses for faculty, staff, students, and the community.

Background – Proposal documents were advertised on September 30, 2019 and October 7, 2019 and issued to five (5) vendors. Four (4) responses were received on October 15, 2019 and reviewed by the Purchasing Department.

Funds for this expenditure are budgeted in the various requesting department's budgets for FY 2019 – 2020.

3) Merchant Services (Award)

Award the proposal for merchant services (credit card processing) to **BBVA Merchant Services provided by First Data Merchant Services, LLC.** (Atlanta, GA), for the period beginning December 1, 2019 through November 30, 2021 with three one-year options to renew, at an estimated annual cost of \$360,000.00, which is based on projected transactions.

Purpose – The Business Office is requesting a merchant services contract, which will permit students, faculty, staff, and the general public to pay for services provided by South Texas College with credit/debit cards.

Justification and Benefit – The merchant services contract will allow the college to accept credit card or bank debit card transactions using online payments, in-person payments or point of sale systems without interruption. Credit and debit card payments are processed at the cashier stations and cafeterias throughout the college district.

Background – Proposal documents were advertised on September 10, 2019 and September 17, 2019 and issued to seven (7) vendors. Four (4) responses were received on September 25, 2019 and reviewed by the Business Office and Purchasing Department.

Funds for this expenditure are budgeted in the Business Office – Credit Card Charges budget for FY 2019 – 2020 and FY 2020 – 2021 pending Board approval of the budget.

B. Rejection of Proposal

4) Multifunction Copier Equipment and Services (Reject)

Reject the proposals received for the multifunction copier equipment and services, since staff was unable to properly evaluate the proposals due to the variety of equipment that the vendors provided pricing on and the price ranges submitted by the vendors.

C. Purchases and Renewals (B-a. Instructional Item)

5) Instructional Training System (Purchase)

Purchase an instructional training system from **Technical Laboratory Systems, Inc.** (Houston, TX), a Choice Partners Cooperative (Division of the Harris County Department of Education) approved vendor, at a total amount of \$62,295.00.

Purpose – The Electrician Technology Program in the Division of Business and Technology is requesting a turbine generator control troubleshooting learning system for student instruction at the Technology Campus.

Justification and Benefit – The training system allows students to gain adaptive skills for generator system operation, adjustment, and troubleshooting in a wide variety of situations. It helps develop and practice both wind turbine component and system level skills in the classroom and with hands-on experience required in this emerging and growing field. The system includes realistic control problems and provides the student with feedback on their progress.

Funds for this expenditure are budgeted in the Carl Perkins grant budget for FY 2019 – 2020.

B. Purchases and Renewals (B-b. Non – Instructional Items)

6) Furniture (Purchase)

Purchase furniture from OMNIA Partners formerly National Intergovernmental Purchasing Alliance (NIPA), National Cooperative Purchasing Alliance (NCPA), Texas Association of School Boards – Buyboard, Sourcewell, and The Interlocal Purchasing System (TIPS), at a total amount of \$111,056.71.

#	Vendor	Amount
A	Allsteel, Inc. / Broussard Group (Muscatine, IA / San Antonio, TX)	\$6,401.99
B	Computer Comforts, Inc. (Kemah, TX)	\$19,948.60
C	Datum Filing Systems, Inc. / Gateway Printing and Office Supply, Inc. (Emigsville, PA/Edinburg, TX)	\$1,690.26
D	The Hon Company / Gateway Printing and Office Supply, Inc. (Muscatine, IA / Edinburg, TX)	\$9,864.59

#	Vendor	Amount
E	Krueger International, Inc. / Gateway Printing and Office Supply, Inc. (Green Bay, WI / Edinburg, TX)	\$67,652.73
F	Landscape Forms (Klamazoo, MI)	\$2,331.54
G	Wenger Corporation (Owatonna, MN)	\$3,167.00
Furniture Total		\$111,056.71

The purchases can be summarized as follows:

- Allsteel Inc. / Broussard Group (Muscatine, IA / San Antonio, TX)
 - ⇒ Technology Campus
 - 12 Conference Chairs for Shipping and Receiving
- Computer Comforts, Inc. (Kemah, TX)
 - ⇒ Pecan Campus
 - 21 Mobile White Boards for the Centers for Learning Excellence
- Datum Filing Systems, Inc. / Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Regional Center for Public Safety Excellence
 - 4 Storage Shelves for the Police Academy
- The Hon Company / Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ La Joya Jimmy Carter Campus
 - 1 Vertical File for the Learning Commons and Open Labs
 - ⇒ Mid Valley Campus
 - 1 Storage Cabinet for Centers for Learning Excellence
 - ⇒ Pecan Campus
 - 2 Bookcases for Curriculum & Student Learning
 - 1 Lateral File for Career & Employer Services
 - 2 Vertical Files for Political Science Program
 - 1 Desk for the Office Administration Program
 - 2 Lateral File Cabinets for the Office of Institutional Equity
 - 19 Round Tables for the Library
 - ⇒ Regional Center for Public Safety Excellence
 - 1 Storage Cabinet for the Police Academy
 - ⇒ Technology Campus
 - 2 Storage Cabinets for the Electrician Assistant Program
 - 2 Storage Cabinets for the Center for Learning Excellence
- Krueger International, Inc. / Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Mid Valley Campus
 - 8 Chairs and 4 Classroom Tables for the Division of Nursing and Allied Health
 - ⇒ Nursing and Allied Health Campus
 - 37 Chairs for the Learning Commons and Open Labs

- ⇒ Pecan Campus
 - 4 Workstations for Distance Learning
 - 1 Desk and 1 Workstation for the Student Assessment Center
 - 3 Tables and 2 Guest Chairs for the College Success Program
 - 1 File Cabinet for the Cashier's Office
 - 1 Workspace surface for the Business Office
- ⇒ Regional Center for Public Safety Excellence
 - 16 Chairs and 8 Tables for the Portables
- ⇒ Starr County Campus
 - 1 Reception/Circulation Desk for the Centers for Learning Excellence
- ⇒ Technology Campus
 - 2 Conference Chairs for Shipping and Receiving
- Landscape Forms (Klamazoo, MI)
 - ⇒ Regional Center for Public Safety Excellence
 - 2 Benches for the Police Academy
- Wenger Corporation (Owatonna, MN)
 - ⇒ Pecan Campus
 - 2 Instrument Storage Cabinets for the Music Program

Fund for these expenditures are budgeted in the requesting department budgets for FY 2019 - 2020 as follows: Business Office, Career and Employment Services, Cashiers Office, Center for Learning Excellence, College Success, Curriculum and Student Learning, Distance Learning, Electrician Assistant, FFE Unallocated – Academic Support, Learning Commons and Open Labs, Office Administration, Political Science, Student Assessment Center, Music, New Furniture, Regional Center for Public Safety Excellence, and Technology Shipping & Receiving Building D Office Renovation – FFE.

7) Network Cabling Services (Purchase)

Purchase network cabling services from **Telepro Communications** (Mission, TX), a Board approved vendor, at a total amount of \$51,093.00.

Purpose – Facilities Planning and Construction and Systems and Networking are requesting network cabling services for internet connections at the Regional Center for Public Safety Excellence portables.

Justification and Benefit – The services are needed to run data lines for transmission of data for computers, technical equipment, and phone service for the portables.

Funds for this expenditure are budgeted in the RSPSE – Portables budget for FY 2019 – 2020.

8) Vehicle Fuel Program (Renewal)

Renew the vehicle fuel program with **U. S. Bank/Voyager Fleet Systems** (Kansas City, MO), a State of Texas Procurement and Support Services (TPASS) approved vendor, acting by and through the State of Texas Council of Competitive Government (CCG), for the

period beginning January 1, 2020 through December 31, 2020, at an estimated amount of \$130,000.00, which is based on prior year expenditures.

Purpose – The vehicle fuel program is used for College owned vehicles used by Mail Services, Central Receiving, Operations and Maintenance, Nursing and Allied Health Emergency Medical Technician Program, Policy Academy, Fire Science Program, Educational Technologies, Student Activities, and the South Texas College Department of Public Safety for the day-to-day operations of the College.

Justification and Benefit – Use of the fuel cards is controlled by the Business Office and Purchasing Department in coordination with supervisors, financial managers, and program chairs using the cards. The Business Office has the ability to monitor online all fuel purchase transactions.

The advantages of using the vehicle fuel program are as follows:

- Each card is set up with a dollar amount limit
- Each employee using the card has a personal identification number, transaction limit and dollar amount limit
- Odometer readings are required at the pump
- Business Office staff monitors transactions online
- Rebates/Discounts are paid quarterly
- 40,000 approved locations, which include locations less than a mile from the College's campuses
- The gas station with the best price is selected
- Net 30 days from monthly payment with no additional charge
- Various reports are available online for reference

The College is billed for the actual fuel charges on a monthly basis with no other type of fees assessed. As per the Agreement, a quarterly Rebate will be sent to the College.

Voyager's rebate is calculated by using their sales volume average for Texas, which can range from 1.150% to 1.760% per gallon, as stated in the agreement.

The rebate amounts vary based on the state average volume and usage. The College has received \$2,459.42 for fiscal year 2019, \$2,584.80 for fiscal year 2018, \$1,610.82 for fiscal year 2017, and \$1,435.84 for fiscal year 2016, which brings the overall amount paid per gallon to be reduced by \$.02 to \$.052.

Funds for this expenditure are budgeted in various programs and department budgets for FY 2019 – 2020.

B. Purchases and Renewals (B-c. Technology Items)

9) Computers, Laptops, and Tablets (Purchase)

Purchase of computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendors **Dell Marketing, LP.** (Dallas, TX) and **Apple, Inc.** (Dallas, TX), at a total amount of \$111,575.20.

All purchase requests for computers, laptops, and tablets have been evaluated by the Information Technology and the Chief Information Officer. Information Technology does not have refurbished systems available for new hires. Instructional and/or business need must be clearly identified/justified for any equipment that is outside standard configuration or does not replace existing office systems. (Ex. mobile devices)

An itemized list with justification is included for your review and information.

Information Technology used the following criteria when recommending the purchase of technology:

- Systems being requested meet the South Texas College standard configuration
- The new systems will replace an older model (5+ years and out of warranty)
- Software requirements exceed the system capacity

The purchases can be summarized as follows:

- Student Computers
 - ⇒ 23 Computers for Regional Center for Public Safety Excellence Portables
- Faculty Computers
 - ⇒ 1 Computer for Political Science Program
 - ⇒ 3 Computers for Biology Program
 - ⇒ 20 Computers for Regional Center for Public Safety Excellence Portables
- Student Laptops
 - ⇒ 7 Laptops for Biology Program
 - ⇒ 12 Laptops for Physical Science Program
- Faculty Laptops
 - ⇒ 3 Laptops for Biology Program
 - ⇒ 2 Laptops for Chemistry Program
- Student Tablets
 - ⇒ 19 Tablets for Technology Support

Funds for these expenditures are budgeted in the requesting department budgets for FY 2019 - 2020 as follows: RCPSE Portables, Political Science Program, Biology Program, Physical Science Program, Chemistry Program, and Technology Support.

10) Network Switches (Purchase)

Purchase network switches from **Insight Public Sector** (Tempe, AZ/McAllen, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$91,369.93.

Purpose – Information Technology is requesting the purchase of nineteen (19) network switches for the Pecan Campus Building J data infrastructure replacement project.

Justification and Benefit – The switches are needed to support the upgraded category-6AH network cabling infrastructure in Building J at the Pecan campus. The equipment will support higher speed network connections and align with the new network cabling that was installed during the Summer of 2019.

Funds for this expenditure are budgeted in the Construction – Pecan Campus Building J Data Infrastructure Replacement for FY 2019 – 2020.

C. Interlocal Agreement

11) Graduation Facility (Lease Agreement)

Lease the graduation facility from the **City of Hidalgo/ dba Payne Arena** (Hidalgo, TX) through an interlocal license agreement from May 14, 2020 at 8:00 a.m. through May 17, 2020 at midnight, at an estimated amount of \$38,500.00.

Purpose – The Division of Student Services is requesting an interlocal license agreement for the graduation ceremonies, which will be held on Friday, May 15, 2020 and Saturday, May 16, 2020.

Justification and Benefit - The facility will be used for all the South Texas College May 2020 graduation ceremonies. The cost includes the use of the facility, audio visual equipment, and event personnel.

Fund for this expenditure are budgeted in the Graduation Account budget for FY 2019 – 2020.

Recommendation:

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the November 26, 2019 Board meeting the award of proposals, rejection of proposal, purchases, renewal, and interlocal agreement as listed below:

- A. Award of Proposals**
- B. Rejection of Proposal**
- C. Purchases and Renewal**
 - a. Instructional Item**
 - b. Non-Instructional Items**
 - c. Technology Items**
- D. Interlocal Agreement**

A. Award of Proposals

- 1) **Equipment Rental Services (Award):** award the proposal for equipment rental services for the period beginning December 1, 2019 through November 30, 2020 with two one-year options to renew, at an estimated amount of \$120,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors	Vendors
Briggs Equipment (Pharr, TX)	Marentco, Inc./ dba Tejas Events and Tents (McAllen, TX)
Rental World (McAllen, TX)	Space Jump Rentals (Pharr, TX)

- 2) **In-Store Purchase of Materials and Supplies (Award):** award the proposal for in-store purchase of materials and supplies for the period beginning November 27, 2019 through November 26, 2020 with two one-year options to renew, at an estimated amount of \$160,000.00. The vendors are as follows:
A. HEB Grocery, Co. (McAllen, TX)
B. Hobby Lobby Store (McAllen, TX)
C. Sam’s Club (McAllen, TX)
D. Walmart (Mission, TX)
- 3) **Merchant Services (Award):** award the proposal for merchant services (credit card processing) to **BBVA Merchant Services provided by First Data Merchant Services, LLC.** (Atlanta, GA), for the period beginning December 1, 2019 through November 30, 2021 with three one-year options to renew, at an estimated annual cost of \$360,000.00, which is based on projected transactions;

B. Rejection of Proposal

- 4) **Multifunction Copier Equipment and Services (Reject):** reject the proposals received for the multifunction copier equipment and services, since staff was unable to properly evaluate the proposals due to the variety of equipment that the vendors provided pricing on and the price ranges submitted by the vendors;

C. Purchases and Renewals (B-a Instructional Item)

- 5) **Instructional Training System (Purchase):** purchase an instructional training system from **Technical Laboratory Systems, Inc.** (Houston, TX), a Choice Partner Cooperative (Division of the Harris County Department of Education) approved vendor, at a total amount of \$62,295.00;

D. Purchases and Renewals (B-b. Non-Instructional Items)

- 6) **Furniture (Purchase):** purchase furniture from OMNIA Partners formerly National Intergovernmental Purchasing Alliance (NIPA), National Cooperative Purchasing Alliance (NCPA), Texas Association of School Boards – Buyboard, Sourcewell, and The Interlocal Purchasing System (TIPS), at a total amount of \$111,056.71.

#	Vendor	Amount
A	Allsteel, Inc. / Broussard Group (Muscatine, IA / San Antonio, TX)	\$6,401.99

#	Vendor	Amount
B	Computer Comforts, Inc. (Kemah, TX)	\$19,948.60
C	Datum Filing Systems, Inc. / Gateway Printing and Office Supply, Inc. (Emigsville, PA/Edinburg, TX)	\$1,690.26
D	The Hon Company / Gateway Printing and Office Supply, Inc. (Muscatine, IA / Edinburg, TX)	\$9,864.59
E	Krueger International, Inc. / Gateway Printing and Office Supply, Inc. (Green Bay, WI / Edinburg, TX)	\$67,652.73
F	Landscape Forms (Klamazoo, MI)	\$2,331.54
G	Wenger Corporation (Owatonna, MN)	\$3,167.00
Furniture Total		\$111,056.71

7) Network Cabling Services (Purchase): purchase network cabling services from **Telepro Communications** (Mission, TX), a Board approved vendor, at a total amount of \$51,093.00;

8) Vehicle Fuel Program (Renewal): renew the vehicle fuel program with **U.S. Bank/Voyager Fleet Systems** (Kansas City, MO), a State of Texas Procurement and Support Services (TPASS) approved vendor, acting by and through the State of Texas Council of Competitive Government (CCG), for the period beginning January 1, 2020 through December 31, 2020, at an estimated amount of \$130,000.00, which is based on prior year expenditures;

E. Purchases and Renewal (B-c. Technology Items)

9) Computers, Laptops, and Tablets (Purchase): purchase computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendors **Dell Marketing, LP.** (Dallas, TX) and **Apple, Inc.** (Dallas, TX), at a total amount of \$111,575.20;

10) Network Switches (Purchase): purchase network switches from **Insight Public Sector** (Tempe, AZ/McAllen, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$91,369.93;

F. Interlocal Agreement

11) Graduation Facility (Lease Agreement): lease the graduation facility from the **City of Hidalgo/ dba Payne Arena** (Hidalgo, TX) through an interlocal license agreement from May 14, 2020 at 8:00 a.m. through May 17, 2020 at midnight, at an estimated amount of \$38,500.00.

Recommend Action - The total for all award of proposals, rejection of proposal, purchases, renewal, and interlocal agreement is \$1,235,889.84.

SOUTH TEXAS COLLEGE
1. EQUIPMENT RENTAL SERVICES
PROJECT NO. 19-20-1020

VENDOR		Briggs Equipment		Marento, Inc./ dba Tejas Events and Tents		Rental World		Space Jump Rentals	
ADDRESS		1213 W Expressway 83		1212 N 23rd St		1020 E Business Hwy 83		813 W Ferguson Ave	
CITY/STATE/ZIP		Pharr, TX 78577		McAllen, TX 78501		McAllen, TX 78501		Pharr, TX 78577	
PHONE		956-782-6500		956-682-1312		956-630-5222		956-787-3228	
FAX		956-782-6501		956-686-8579		956-630-3566			
CONTACT		Mike Gonzalez		Mark Archer		Bryan Wolf		Carlos Rodriguez	
#	Type of Equipment	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate
1	Metal Folding Chairs							\$ 0.75	
2	Wood Garden Chairs							\$ 1.50	
3	White Padded Chairs			\$ 1.95					
4	Plastic Folding Chairs			\$ 0.80		\$ 1.00	\$ 2.00		
5	Plastic Folding Chairs (White)					\$ 1.50	\$ 3.00		
6	6' Folding Table			\$ 7.00		\$ 8.00	\$ 16.00	\$ 6.00	
7	Rectangular Linens for Tables (Toppers) Fits All							\$ 6.00	
8	Rectangular Linen Fits All							\$ 8.00	
9	6' Linen			\$ 10.00					
10	8' Folding Table			\$ 7.50		\$ 8.00	\$ 16.00	\$ 8.00	
11	8' Linen			\$ 12.00					
12	36" Round Linen			\$ 7.00					
13	48" Round Table			\$ 7.00		\$ 8.00	\$ 16.00	\$ 6.00	
14	Round Linens for Tables (Toppers) Fits All							\$ 6.00	
15	Round Linen Fits All							\$ 8.00	
16	48" Round Linen			\$ 8.00					
17	60" Round Table			\$ 8.00		\$ 8.00	\$ 16.00	\$ 8.00	
18	60 x 120 Linen (6' & 8" Tables)					\$ 10.00	\$ 20.00		
19	60" Round Linen			\$ 10.00					
20	90 x 156 Linen (6' & 8' Tables)					\$ 15.00	\$ 30.00		
21	90" Round Linen Standard Poly					\$ 10.00	\$ 20.00		
22	72" Table Round					\$ 10.00	\$ 20.00		
23	108" Round Linen Standard Poly					\$ 10.00	\$ 20.00		
24	120" Round Linen Standard Poly					\$ 15.00	\$ 30.00		
25	132" Round Linen Standard Poly					\$ 20.00	\$ 40.00		
26	Evaporative Cooler			\$ 125.00					
Material Lift		Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate
1	Electric Generator	\$ 77.00	\$ 216.00	\$ 100.00		\$125.00 - \$525.00	\$500.00 - \$1,575.00	\$ 50.00	
2	Popcorn Machine			\$ 55.00		\$ 50.00	\$ 150.00	\$65.00 Includes supplies for 60 people	
3	Margarita Machine			\$ 80.00		\$ 80.00	\$ 240.00		
4	Stage			\$80.00 4' x 8' Section		\$30.00 4' x 4' Section	\$60.00 4' x 4' Section	\$295.00 12' x 12'	
5	Banquet Table			\$ 7.50				\$ 25.00	
6	Light Tower	\$ 95.00	\$ 338.00	\$ 125.00		\$ 115.00	\$ 460.00	\$ 150.00	
7	Electrical Equipment							\$ 150.00	
8	100 Amp Distribution Box					\$ 75.00	\$ 112.50		
9	Power Distribution Box							\$ 50.00	

SOUTH TEXAS COLLEGE
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FAX		956-782-6501		956-686-8579		956-630-3566			
CONTACT		Mike Gonzalez		Mark Archer		Bryan Wolf		Carlos Rodriguez	
#	Type of Equipment	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate
10	Material Lift	\$ 68.00	\$ 203.00			\$ 100.00	\$ 400.00		
Tents		Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate
1	8 x 8 Booth (Various Colors)					\$ 95.00	\$ 142.50		
2	10' x 10' Hi Peak					\$ 125.00	\$ 187.50		
3	10' x 10' Booth (Various Colors)					\$ 110.00	\$ 165.00		
4	10' x 10' Tent			Price Depends on Landscape and Location				\$ 75.00	
5	10' x 10' Frame Tent Various Colors					\$ 110.00	\$ 165.00		
6	20' x 20' Frame Tent Various Colors					\$ 220.00	\$ 330.00		
7	20' x 20' Tent							\$ 150.00	
8	20' x 30' Tent							\$ 250.00	
9	30' x 30' Tent							\$ 375.00	
10	40' x 40' Tent							\$ 495.00	
11	40' x 60' Tent							\$ 650.00	
12	40' x 80' Tent							\$ 950.00	
Carnival Rides		Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	4 Hour Rate	Daily Rate	Daily Rate	Weekly Rate
1	Manual Spinner					\$ 95.00	\$ 95.00		
2	Carousel					\$ 395.00	\$ 495.00	\$ 400.00	
3	Super Swing					\$ 395.00	\$ 495.00		
4	Ferris Wheel					\$ 495.00	\$ 695.00	\$ 450.00	
5	Ski-Daddle Swing					\$ 395.00	\$ 495.00		
6	Trackless Train					\$ 395.00	\$ 495.00		
7	Tubs of Fun					\$ 495.00	\$ 695.00	\$ 495.00	
8	Dunking Booth					\$ 175.00	\$ 175.00	\$ 175.00	
9	Pirate Ship							\$ 550.00	
10	Pirates Revenge (Requires min. of 1 attendant)					\$ 695.00	\$ 895.00		
11	Video Game Trailer								
12	Mechanical Bull (Requires min. of 1 attendant)								
13	Euro-Bunee								
14	Photo Booth					\$ 595.00	\$ 795.00		
15	Wizzer					\$ 295.00	\$ 395.00		
16	GyroXtreme (Requires min. of 1 attendant)					\$ 495.00	\$ 595.00		
17	Mindwinder (Requires min. of 1 attendant)					\$ 695.00	\$ 895.00		
18	Rockwall (Requires min. of 1 attendant)					\$ 695.00	\$ 895.00	\$ 750.00	
Entertainment Equipment -Inflatables		Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	4 Hour Rate	Daily Rate	Daily Rate	Weekly Rate
1	Medium Bouncer (non-themed)					\$ 125.00	\$ 175.00		
2	Batter Up					\$ 175.00	\$ 225.00		
3	Joust					\$ 395.00	\$ 495.00	\$ 350.00	
4	Large Wet/Dry Slide					\$ 225.00	\$ 295.00		

SOUTH TEXAS COLLEGE
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PROJECT NO. 19-20-1020

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FAX		956-782-6501		956-686-8579		956-630-3566			
CONTACT		Mike Gonzalez		Mark Archer		Bryan Wolf		Carlos Rodriguez	
#	Type of Equipment	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate
5	Lil' Splash Wet/Dry Slide					\$ 175.00	\$ 225.00		
6	15' x 15' Dinosaur, Sponge Bob, Disney Princess Bouncer			\$ 115.00					
7	18' x 21' Mickey, Frozen, Ninja Turtle Bouncer			\$ 175.00					
8	Themed Bouncer					\$ 165.00	\$ 195.00		
9	35ft Edge Double Dry Slide					\$ 995.00	\$ 1,295.00		
Entertainment Equipment - Games		Hourly Rate	Daily Rate	Hourly Rate	Daily Rate	4 Hour Rate	Daily Rate	Hourly Rate	Daily Rate
1	Backyard Volleyball Kit					\$ 50.00	\$ 50.00		
2	Duck Pond					\$ 95.00	\$ 95.00		
3	Summo Wrestling					\$ 225.00	\$ 325.00	\$ 450.00	
Other Equipment		Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate	Daily Rate	Weekly Rate
1	Money Machine					\$ 225.00	\$ 215.00		
2	Solar Sign					\$ 500.00	\$ 1,000.00		
3	Search Light (3 Hours of operation Per Night)					\$ 400.00	\$ 1,600.00		
4	Dance Floor			\$260.00 15' x 16' plus Set up fee				\$ 295.00	
5	Scissor Lift	\$131.00 - \$225.00	\$302.00 - \$680.00						
6	Boom Lift	\$293.00 - \$1,247.00	\$914.00 - \$3,402.00						
7	Telehandler	\$428.00 - \$680.00	\$1,386.00 - \$1,944.00						
Delivery/Pick-up & Overtime Charges		Valley Locations	Rio Grande City	Valley Locations	Rio Grande City	Valley Locations	Rio Grande City	Valley Locations	Rio Grande City
1	Delivery/Pick-up Each trip to location with truck/vehicle	Delivery - \$100.00 Pickup - \$100.00				\$ 150.00	\$ 400.00		
2	Overtime for After Hours Installation/Removal Normal Hours: 8:00 am - 5:00 pm M-F Saturday 8:00 am - 2:00 pm					20% of Rental Amount			
3	Environmental Fee	\$ 13.00							
4	Other Charges			Delivery and Pick Up charges start at \$25.00 each way total determined by Qty. and location.		Rentals do not include fuel. 14% damage waiver (DWC) added to rentals (not labor). Delivery, pick-up, set-up, removal of equipment. Overtime charges possible for after hours.		All Prices Includes set up and Delivery Fee	
2nd Year Escalation		2%		No Response		5%		No Response	
3rd Year Escalation		3%		No Response		5%		No Response	

The Director of Purchasing has reviewed all the responses.

SOUTH TEXAS COLLEGE
2. IN-STORE PURCHASE OF MATERIALS AND SUPPLIES
PROJECT NO. 19-20-1023

VENDOR		HEB Grocery, Co.	Hobby Lobby Store	Sam's Club	Walmart	
ADDRESS		3601 W Pecan Blvd	3300 N Expway 83	1400 E Jackson	2410 E Expway 83	
CITY/STATE		McAllen, TX 78501	McAllen, TX 78501	McAllen, TX 78503	Mission, TX 78572	
PHONE		956-971-9881	956-683-1927	956-618-3363	956-580-3393	
CONTACT		Jorge I. Ramirez	Jessica Torres	Carlos Garcia	Juan Pena Jr	
#	Qty	Description	Discount	Discount	Discount	Discount
1	1	In-Store Purchase of Materials and Supplies Period: 11/27/19 - 11/26/20	0%	0%	0%	0%
2	2nd Year Escalation		No Response	No Response	0%	No Response
3	3rd Year Escalation		No Response	No Response	0%	No Response

The Director of Purchasing has reviewed all the responses.

**SOUTH TEXAS COLLEGE
3. MERCHANT SERVICES
PROJECT NO. 19-20-1019**

	VENDOR	BBVA Merchant Services provided by First Data Merchant Services, LLC.	Business Payment Systems	Plains Capital Bank	IBC Merchant Services
	ADDRESS	5565 Glenridge Connector NE	3900 N Jackson Rd	5010 University Ave	15423 W 100th Terrace
	CITY/STATE/ZIP	Atlanta, GA 30342	Pharr, TX 78577	Lubbock, TX 79413	Lenexa, KS 66219
	PHONE	513-878-8123	956-867-9303		956-450-0219
	FAX	513-489-6521	956-631-1222		800-490-9517
	CONTACT	Jacqueline Engle	Andrew Yoo		Berta Garcia
1	Number of Years in Business:	48 years	19 years	31 years TSYS has been in business for 36 years	18
2	Type of Operations:	Corporation	Corporation	Corporation	Corporation
3	Number of Employees:	Approximately 19,000 owner-associates worldwide	44 Individuals	Hilltop Holdings & Plains Capital employs over 1200. TSYS has nearly 11,500 team members.	120
4	Annual Sales Volume:	2018 - \$9.5 billion	\$ 1,345,567.09	380 mm plus	\$6.5B
5	Is your company currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, provide details.	Any material claims and judgments are listed in our publically available SEC filings.	No	No	No
6	Provide a financial rating of your company (from a rating organization such as Dunn and Bradstreet, Moody's etc.) or any other documentation which indicates the financial stability of your company.	As of May 22, 2018, First Data's long-term corporate family rating from Moody's is B1 (stable). The long-term local issuer credit rating from Standard and Poor's is B+ (stable). For your convenience, First Data's most recent credit ratings are listed on their Investor's page at https://investor.firstdata.com/financial-information/credit-ratings .	Yoo Investments Inc. Dunn and Bradstreet Number 018873343	Hilltop Holdings Financial Results can be found at http://ir.hilltop-holdings.com/file/Index?KeyFile=397660723 TSYS's 2018 annual shareholder report can be found at http://eproxyaterials.com/interactive/tss2018/	N/A
		Rating Class	Rating		
		Moody's			
		LT Corporate Family Rating	Ba3		
		Senior Secured	Ba2		
		Senior Secured Second Lien	B2		
		Standard & Poor's			
		Long Term Issuer Rating	BB-		
		Senior Secured	BB		
		Senior Secured Second Lien	B+		
		Fitch Ratings			
Long Term Issuer Default Rating	BB-				
Senior Secured	BB+				
Senior Secured Second Lien	BB+				
7	Provide any details of all past or pending litigation or claims filed against your company that would affect your company's performance under a contract with STC.	Any material claims and judgments are listed in our publically available SEC filings. From time to time, we are involved in various litigation matters arising in the ordinary course of business. None of these matter, individually or in the aggregate, are currently material to First Data.	There is no litigation or claims	None	None
8	Provide at least one bank reference.	One Bank Reference Provided: Starr County Memorial Hospital (44 years)	John Ozuna Chase Bank Phone: 956-215-5599	Lucy Casso, Merchant Services Officer	Enterprise Bank & Trust Janet Honn, VP Card Services Phone: 913-791-9124
9	Provide a customer reference list of at least three (3) organizations for which you currently provide products/services or have provided products/services of the type and scope requested in this RFP, of which two (2) of the references are from similarly sized or larger government sector clients, over the past five years. STC prefers client references involved in higher education, if available. References must include company name, contact person, title, telephone number, email address, processing volumes, description of services provided and length of business relationship.	Three Customer References Provided: University of Oklahoma (over 10 years) City of Brownsville (6 years) La Joya ISD (10 years)		Three Customer References Provided: City of La Villa City of Edinburg Port Isabel City Hall	Three Customer References Provided: Manhattan Christian College Arkansas State University University of Central Missouri
10	Is your company certified as a Historically Underutilized Business (Small, Minority or Woman-Owned) by the Texas Comptroller of Pubic Accounts or another state or Federal agency? If yes, include information that confirms certification.	No	Yes. Business Payment Systems is an Underutilized, Small, Minority, and Woman-Owned business. Yoo Investments Inc. is owned by Andrew Yoo and Maggie Yoo.	No	No
11	What is your company's annual credit card processing volume for the last three (3) years and your relative ranking among other processors?	2018 - 100 billion 2017 - 93 billion, 2016 - 88 billion, 2015 - 79 billion Acquired approx. \$2.3 trillion of payment volume, accounting for over 10% of US gross domestic product last year.	Over the past 3 years we have processed over a billion dollars	Over 380 million in volume a year.	\$6.5B; per the Nilson Report we are listed as one of the top 40 processors in the country.
12	Do you use a third party for any segment of customer or card processing services? If yes, provide the years of service you have been doing business with them, their qualifications and describe your relationship with your third party processor.	Credit card processing does not use third-party services once data is received from merchants, we occasionally use certified and approved 3rd party suppliers for software development, plastic inventory and storage, as well as some help desk and call center functionality.	Yes, we do provide 3rd party processing gateways in order to integrate online payments such as authorize.net. We use these gateways to securely accept debit and credit card payments, along with ACHs.	TSYS. TSYS is one of the top 10 US processors and has provided card processing services since its inception in 1995.	First Data since 2005 and TSYS since 2018

**SOUTH TEXAS COLLEGE
3. MERCHANT SERVICES
PROJECT NO. 19-20-1019**

VENDOR		BBVA Merchant Services provided by First Data Merchant Services, LLC.	Business Payment Systems	Plains Capital Bank	IBC Merchant Services
13	What type of risk management services does your company typically provide to combat fraud?	First Data has fraud detection and prevention programs in place for both card-present and card-not-present environments, including the ability to configure standards at store levels. Conducts duplicate transaction tracking, velocity checking to limit the number of attempts made by the same card and duplicate transaction screening. Fraud and Risk Management: AVS and CVV Support, Tokenization (TransArmor), Integration to machine learning-based fraud prevention solution (Fraud Detect), 3-DSecure, Fraud Filters and Velocity Controls.	We have a complete risk management team available at the merchants disposal provided by our processor, Cardconnect. We use the most up to date software with Point-to-Point Encryption, interchange optimization, and the most secure hardware available. These services have enabled us to be one of the leaders in security in the credit card industry.	TSYS' Risk Department screens all transactions for possible fraud. TSYS developed and actively maintains an in-house fraud monitoring system. Risk and Fraud reviews are conducted on all of TSYS' merchants.	All processing methods we interact with are on the PCI certified vendor list.
14	Is your company fully Payment Card Industry (PCI) compliant? Provide a copy of your last PCI audit.	First Data maintains a PCI-DSS Program that includes validating PCI compliance performed every calendar year using Qualified Security Assessor. PCI validation paperwork is sent to Visa every year and can be reviewed at http://www.vis.com/splisting/	Yes, Cardconnect is fully (PCI) Payment Card Industry compliant.	Yes	Yes
15	What audits are performed on the company?	1. Federal Financial Institution examination Council's Information Technology Review of Technology Service Provider 2. Earnst & Young SSAFE18/SOC 1 3. TrustWave's PCI DSS assessments. 4. Internal audit also monitors		Plains Capital and TSYS comply with all required regulatory audits required for financial institutions and payment processors alike.	Type 2 SOC 1 & ISEA 3402-2018
16	Does any relationship exist whether by relative, business associate, capital funding agreement or any other such kinship between your company and any STC employees or a member of the Board of Trustees of STC? If yes, please explain.	No	No	No	No
SERVICE QUESTIONNAIRE					
1	Please provide the name, phone, title and a brief resume of the individual who will service, support and assume overall responsibility for the work to be performed for STC.	Mark Nehls, Sales Executive	Kelly Garcia and John Amour	Lucy Casso, Merchant Services Officer Phone: 956-664-4783	Berta Garcia, Senior Sales Executive 956-450-0212; Karla Rhodes, Relationship Manager 913-251-9234; Adam Morales, National Sales Manager 832-840-4598
2	What are your normal days and hours of operation?	Customer Service and Help Desk 24/7. Account managers and account executives 8am - 6pm ET.	Monday - Friday 9AM - 6PM Sunday upon request only	Plains Capital observes Federal schedule holidays, and is open from 8a-5p central. Help Desk is available 24/7.	7am - 7pm (CST) Monday - Friday Help Desk Availability 24/7
3	Describe your training and consulting program.	As your current merchant provider, Mark Nehls and the First Data team will continue to be STC's contact for training and consultation.	Our trainings in merchant services are done in-office weekly and monthly, as well as out of the office conventions to update our agents on new laws and software for the industry. We know the industry well so you can trust our staff to take care of your clients transactions securely.	We structure our call center so that when a merchant interaction is started it is routed to a POD containing 10-12 serviced employees representing all of the skill-sets needed to obtain a one call resolution. TSYS provides merchant support via email, live chat and/or phone. Our Merchant Support Help Desk employees are cross-trained to assist our merchants and partners with any type of issue that they may have, this includes technical questions. Calls are answered by automated system then transferred to a live person based on the merchant's selection.	Variable by position and ongoing.
4	Detail the ability of personnel who will be assigned to the STC account to provide technical assistance and training in the implementation of the program.	With the requisite knowledge as your current provider, we simplify the need for technical assistance or training necessary for expansion of your merchant services. Implementation, New Merchant Training, On going Merchant Training, Documentation (user guides, reference material)	John and Kelly have both gone through extensive training at BPS and are more than capable of handling any situation that may present itself at STC. To complement John and Kelly, we have a team of 41 additional field agents available to help in situations when needed. As our headquarters are located in Pharr, TX, we can be of service to the school quickly and efficiently.	TSYS provides merchant support via email, live chat and/or phone. Our Merchant Support Help Desk employees are cross-trained to assist our merchants and partners with any type of issue that they may have, this includes technical questions.	Bert is available for on-site visits. BASYS is available via phone and email. We have departments dedicated to deploying, installing and training equipment. We have resources available at STC's convenience and have 24/7 help desk support.
5	Present a timeline (approximate number of days) for implementation of services after execution of a contract.	120 - 150 days, but this can be expedited because we understand STC's needs.	It will take 14 business days to completely execute the transfer of hardware and services from the old vendor to our new and secure platform.	Standard implementation is 3-5 business days from the execution of the contract. Implementation can vary based on the software integration or point of sales systems response time.	This detailed plan will require further discussion with STC, including testing and suggested implementation schedule.
6	What provider do you use?	Question has been removed	Question has been removed	Question has been removed	Question has been removed
7	Describe the software and hardware necessary for acceptance of credit and debit cards (a) with card present, (b) card not present, (c) using an IVR application, (d) via internet, and (e) pin-based debit.	Touchnet Payment Gateway vendor solution is a certified partner for Retail, Mail/Telephone Order and e-Commerce industries using their Universal Commerce product application. Our First Data Gateway solution as a securely hosted web payment form designed to accept internet based eCommerce transactions. Our Payment Pages redirects the customers from your merchant website to a hosted form by First Data Gateway.	In order to securely accept credit card transactions, you will need secure encrypted EMV compatible credit card terminals, online transactions need secure gateways, as well as point of sale computer systems with the correct software that integrates into the processing platform.	This ranges from traditional countertop terminal, to desktop virtual terminals as well as point of sale integration. All of these solutions will handle card present, or not-present. Voice authorization is available 24/7 through our dedicated phone line. All terminals can be outfitted to work both over internet as well as phone line if preferred.	Card Present-TSYS terminals and First Data terminals, Card not Present-Virtual Terminal IQ Pro, all processing methods for interactive voice response, eCommerce IQ Pro, VAR, P2PE
8	Provide a flow diagram (with appropriate narration) that graphically describes the processing of a transaction. The diagram should depict the flow of data from the initial transaction authorization to the final funding of STC's bank account.	Yes	Yes	Yes	Yes
9	What is the settlement transmission time for Visa, MasterCard, Discover and any other card?	11:00 p.m. ET. The payment schedule for Visa and MasterCard transactions. Discover Card transactions are settled to Discover each day at 9 p.m. ET (Pass Through) and Discover Full Service at 6 a.m. ET.	Our settlement time to be funded is 24 hours.	All card types will be settled in the same given batch at once. Via Ethernet, a settlement takes anywhere from 5 - 20 seconds on average. Transmission for next day availability must be settled by 5AM ET / 2AM PT.	Next day funding is available if merchant batches out by 9pm CST (First Data) or 6pm CST (TSYS). If batch-out must occur later, we offer 2-day funding. We offer options of auto-close or manual close.

**SOUTH TEXAS COLLEGE
3. MERCHANT SERVICES
PROJECT NO. 19-20-1019**

VENDOR		BBVA Merchant Services provided by First Data Merchant Services, LLC.	Business Payment Systems	Plains Capital Bank	IBC Merchant Services
10	Do you provide processing of other than Visa, MasterCard and Discover, such as American Express and Diners Club? What is the settlement transmission time for these?	Yes. American Express at 7 p.m. ET (pass through), American Express Full Service at 10 p.m. ET and Voyager at 5 p.m. ET	Yes, we process all of the above card types. The funding for those batches with those card types is 24 business hours if settled out before the cut off time. These card types come standard with our processor in order to make sure the merchant can take transactions seamlessly, regardless of the card type used.	Yes. TSYS supports cards of all types, and settlement transmission times are unaffected when utilizing AMEX, Diner', JCB or other various cards. Transmission for next day availability must be settled by 5AM ET / 2AM PT.	Signature Debit, Pin-based Debit, Wex, Voyager and EBT. Funding times vary.
11	What is the latest time that sales transactions (batches) can be transmitted to meet the settlement times?	The daily settlement deadline is 11:00 p.m. ET. First Data will continue to work with STC to determine the optimal processing platform and funding cycle that will meet your needs.	6:00pm central time.	See Item 12	We recommend settlement occur 15 minutes before the cutoff time.
12	Once batch is settled, how much time does it take for our institution to get the funds?	Within 2 business days if batch is submitted prior to 11:00 p.m. ET.	24 hours, except Friday-Sunday sales, which are deposited or funded on the following Monday.	Next day funding via ACH is available using a Plains Capital bank account. Batch close time for this is by 5am ET / 2am PT. If using an outside bank, next-day funding is available if the batch is closed by 6pm ET/3pm PT. If this cutoff time is missed, traditional two-day funding via ACH will be used (batch close time 5am ET/2pm PT).	See #9 above
13	How will settlement amounts appear on our bank statement? (One lump sum payment or one amount for Visa, MasterCard, etc.)	We will continue to provide the same settlement options to STC.	All settlement amounts will appear as one lump sum deposited into the merchants banking account. You will be able to see all the funding for your account through your secure portal, Cardpointe.	Settlements appear as one lump sum. Reporting options to view individual transactions and card types are available via TSYS' proprietary reporting tool, TransLink.	Settlement amounts on the bank statement will appear as one lump sum; we can break this out should you prefer.
14	What are the procedures for an incorrect authorization?	For an incorrect authorization, same-day reversals that are detected can be reversed and/or returned if permitted by POS application.	The employees at STC will be trained to handle any issue in the event of incorrect authorizations. If there is a matter that comes up that they have not yet been trained on, they can call our team to receive assistance to fix the issue.	If the batch was not yet settled, District personnel would perform a void on the point-of-sale-device. If the batch had been settled, the District would perform a credit. The timing of the authorization reversal lies with the card issuer who determines when reversed authorizations will be applied to the cardholder's account.	All terminals/software/gateways have an option to void an authorization on the same day it was run prior to settlement.
15	What are your procedures for handling problems encountered by STC in the processing of transactions?	First Data supports a formal Issue Management program, administer by the Global Service Desk.	The employees at STC will be trained to handle any issue in the event of incorrect authorizations. If there is a matter that comes up that they have not yet been trained on, they can call our team to receive assistance to fix the issue. We are available anytime to help expedite solving any issues that may arise.	Any issues or inquiries can be directed to Plains Capital Bank Merchant Services team. Should immediate technical support be needed outside of bank hours, our 24/7 merchant support line will be able to assist immediately.	The point of sale will give an error message or decline code notification. Depending on the message or code, STC will need to ask for a different form of payment. If the settlement fails and you do not get a confirmation from the terminal, call 800-386-0711
16	What is the actual response time for inquiries?	Help Desk average speed of answer - 45 seconds or less, Help Desk Service Level - 80% of calls answered w/in 45 seconds, Help Desk abandoned rate - Less than 4.9% of calls greater than 45 seconds.	Immediately, or within 24 hours if additional work is required.	Direct calls to merchant support are no more than 45 minutes, and generally under 10 minutes. Emails directly to TSYS are give 24 hours for response. When contacting merchant officer at Plains Capital, response time will be no more than 24 hours.	We are available 7am - 7pm CST Monday-Friday with 24 hour coverage for terminals and weekend support for our virtual terminals.
17	Describe the monitoring and notification process if a transmission fails.	All system resources are monitored on a continual basis w/ thresholds for depletion warnings, which allows us to take action before issues become critical and cause interrupting of service. If transaction levels on individual links drops below expected volumes, operators can take proactive measures and contact those merchants to verify activity. Both our merchants and partners are able to receive our notifications informing customers of any problems with 3rd parties.	You will receive an error that the card transaction failed. All error messages will be different depending on the device you process the transaction on. Your team will be trained at the time of installation in those rare cases.	Should a transmitted transaction fail before completion, the user will be alerted at the terminal level. Each terminal will give a specific error regarding connectivity issues, or otherwise pinpointing what may have caused the transaction to fail.	The point of sale will give an error message or decline code notification. If the settlement fails and you do not get a confirmation from the terminal, call 800-386-
18	Describe the transaction authorization process, settlement procedures, refund process and chargeback process.	Authorization Process: incorporates fraud prevention and detection controls such as cardholder authentication verification value, PIN verification, CVV/CVC and CVV2/CVC2, external status of the account, expiration date mismatch, merchant suspicious, expiration date on record and authorization name mismatch. Settlement Procedures: We receive the settlement file from the merchant and sent it to the payment card brands. Our Settlement Operations receives the file back from the payment card brands and generates a funding file and transmits to the First Data Treasury for funding. First Data Treasury approves and initiates the deposit to the merchant deposit account.	At the time of a transaction, the merchant will receive an approval or decline message. On the terminal level, you can also complete a void the day of the transaction or a refund after a settlement has been done. A settlement will be done at the end of the day at a specific time, which is setup during installation. This will total all sales allowing the merchant to see that funded amount in their business checking account.	When a transaction is successfully authorized, the transaction will be held in the batch until it is settled out. This can be done manually, as many time as preferred per day, or automatically at a designated time-of-day. Refunds made before the settlement is closed will be immediately credited and available to the cardholder (known as a void). If the transaction was settled, a refund will take 3-5 business days to process for cardholder, and will show up as pending credit until complete. For chargeback process, please see item 19.	Details for Authorization Process, Settlement Process, Refund Process, and Chargeback Process are provided see response to RFP.
19	Describe how your company handles retrieval and charge-back requests.	Dispute Manager is highly secure, web-enabled front-end interface to help the STC effectively manage sales disputes (chargebacks and retrievals) with greater efficiency in a real-time environment. Key Features include: (1) Electronic delivery method which ensures chargebacks and retrievals are not "lost" via the mail or fax. (2) Sends the STC confirmation and acknowledgement that response has been received (3) Alerts the STC if all required documentation has not been submitted (4) Provides work queues of all outstanding chargebacks and retrievals in need of a response (5) Provides the ability to query or sort chargeback or retrieval requests online for prioritization and management of disputes. (6) Offers imaged cardholder, bank and other supporting documentation, as well as provide clients with the ability to scan in documentation to support fulfillment. (7) Provides the ability to manipulate images, e.g., magnify, rotate, flip, scroll for optimal viewing capability.	All full card retrievals take 24 hours to process. At that time we will give those numbers to the designated individual at the merchants location. Once a charge-back is posted the merchant will receive a letter and also have a designated area on their portal to review and send in information to the proper individuals to resolve the dispute.	TSYS handles all retrieval requests, chargebacks, arbitration, compliance, and good faith requests received from card issuers against the merchants through their in-house automated system. TSYS forwards all chargeback requests to merchants for their response. An email notification will be sent to the contact on the individual merchant account when new chargebacks or retrievals are received. 2 notices are sent to the merchant and a phone call or fax is made if the retrieval is illegible for processing. TSYS processes retrievals the same day and the merchant is given 10 days to respond.	Retrieval and chargeback paperwork are available via email, online access and mail, per the merchant's preference.

**SOUTH TEXAS COLLEGE
3. MERCHANT SERVICES
PROJECT NO. 19-20-1019**

VENDOR		BBVA Merchant Services provided by First Data Merchant Services, LLC.	Business Payment Systems	Plains Capital Bank	IBC Merchant Services
20	What are the retrieval compliance timeframes?	Chargebacks and debit adjustments are taken daily. The Roll Up Indicator will allow STC to see debits as separate entries from credits if needed on their bank statements.	Card retrievals take 24 hours.	Merchant is given 10 days to respond to chargeback requests, to ensure we meet card association deadlines.	See #19 above
21	How would the College be informed when a chargeback is posted?	STC is informed of disputed chargebacks either by electronic file, or Dispute Manager, based on available functionality and setup.	Once a charge-back is posted the merchant will receive a letter and also have a designated area on their portal (Cardpointe) to review and send in information to resolve the dispute. Our company has one of the largest chargeback and fraud departments in the industry, providing our clients with the highest level of service and protection for their account.	Please see item 19.	Processor will mail merchant notification of chargeback. Chargebacks will appear on College monthly statements. BASYS Processing runs a weekly chargeback report and will inform all merchants of any chargebacks exceeding \$500.
22	What procedures does your firm have implemented to operate in the event of a disaster or equipment failure at your primary processing site?	We have 2 data centers and real-time replication between them. Both systems are live at all times and traffic can be shifted using dynamic DNS and scripts. Systems are backed up electronically either to a SAN in its disaster recovery site, or backed up to tape and stored with a professional records management vendor located near, but at a safe distance from, the production location. Redundancy, Hot-Site Backup Capabilities and Testing, Outline storage / retention of critical data to allow recovery.	Cardconnect has office throughout the United States in addition to multiple backup servers. If one office goes down, another location can easily pick back up.	TSYS provides a fully redundant Continuity of Business system in a separate geographic location from our primary authorization data centers. The COB site is located in a major data center and has 24 X 7 X 365 operational support. Redundant systems and failover networks with duplicate hardware and mirrored data are the foundation of our COB preparations.	Critical systems are expected to be restored ASAP with important systems back in an hour.
23	What are the after-hours response times for system and equipment failure?	Call Center Customer Service and Technical Help Desk available 24/7 Response Time: exceeds 95% based on established criteria. Can be discussed as a topic during your account review meetings.	All after hours incidents will be handled by our team from Business Payment Systems that day. If John or Kelly can not get to you, we have a team of over 40 staff members ready to help. If for some reason they can not fix the issue and further assistance is needed, the response time is 24-48 hours.	Please see item 22	Our 24 hour help desk will assist in all troubleshooting; should equipment need replaced that will take place between 7am - 7pm Mon-Fri.
24	What are the alternative authorization methods provided during network downtime?	We support and offer all major data connection methods to individual locations or a central corporate location via dial, MPLS, Internet, gateway and VPN. We request the opportunity discuss the options to ensure we are meeting your needs for optimal performance.	All transactions during a downtime can run offline. Alternatively, you will have a number to call to get authorizations to offline transactions once communications come back up. Don't be afraid of being down-we have you covered in the event of situations that are out of your control.	During network downtime, all transactions will be routed through our redundant systems and network. The captured data is then synchronized upon resolution of the issue, and the network coming back online. End-user experience remains unaffected.	Should BASYS incur network downtime the authorizations will not be impacted as those are handled through First Data and TSYS.
25	Describe your contingency plan for disaster recovery and what is the expected time frame to become operational should a catastrophic event occur?	Firm-wide Business Resiliency and Disaster Recovery Program provides for the company's need to recover its business processes and the supporting technology in a timely manner during disruption. Plans are reviewed every calendar year and whenever changes with BCP-impact occur.	Cardconnect has office throughout the United States in addition to multiple backup servers. If one office goes down, another location can easily pick back up right where everything has left off. By processing millions of dollars everyday we are able to cover our clients no matter the issue.	TSYS has experienced a system uptime of 99.999% for the past several years. TSYS has built redundancy into all parts of its transaction processing platforms at multiple levels. Each facility provides failover systems for the other. Our systems and services are controlled by load balancing and designed to attempt multiple reconnects immediately following a failed connection attempt.	We have contingency procedures in place with WiFi and electronic backups to ensure all email and phone access is back up within an hour.
26	Describe your company's incident response plan that will be followed and provided to its customers/	First Data will notify customers promptly if any of their non-public personal information is compromised to an unauthorized party.	We have a ticketing system to show the process and time frame for each incident. Our tickets show a total history for each client as well as how the ticket progresses until conclusion.	Please see items 22, 23, 24, and 25	1. send email to the contact list on the merchant account, 2. put a statement on our gateway, 3. make outbound phone calls.
27	Describe all reports available and the software used to receive and view reports. Provide sample reports for each card type.	Reports are processed using our Web-based ClientLine online reporting tool that contains over 80 prebuilt standard reports. Reports currently provided to STC: Transaction Summary, Batch Summary, Transaction Listing, Chargeback Summary, Retrieval Listing, Funding Reconciliation, Bank Deposit Adjustment Detail and Qualification Analysis Summary	All reports are provided to the merchant on their personal portal, Cardpointe, which is setup for them. They will have full access to all reports, real live transactions, chargebacks, and anything else needed for the accounting department. Look up any information seamlessly from anywhere with a personal secure login.	TransLink - TSYS provides bank and merchant reports through TransLink, our online reporting tool. Transaction activity is available the next morning. Merchant monthly statements are available on the 5th business day of each month. Bank residual reports are available on the 10th day of the month. A demo can be found at https://translink.transfirs.com/Content/PublicAdmin/demo.aspx	We have a wide variety of reports available through an online portal.
28	Describe your billing process.	Bills daily for our direct processing fees and debit Interchange. We electronically ACH these fees from each client's designated DDA. Prior to the ACH occurring, First Data provides detailed statements to each merchant.	All the fees are collected between the 3rd and 7th of the month of processing, depending on the dates and holidays for that particular month. In the Cardpointe portal, you can see statements and full card information along with fees in real time. It is a great tool for accounting.	The District will receive the gross amount of its settled transactions deposited into its designated bank account. District will be debited for discount rate and fees on the 10th calendar day of the month for the previous month's card processing activity.	Based on the platform selected, fees are pulled once a month; FD platforms pull on the 2nd business day of the month for all fees for the previous month.
29	Discuss your commitment to quality. Include quality control measures used to evaluate credit/debit transactions processing. Provide any unique approaches our firm has.	The Security Event Management Center provides 24/7 policing and awareness through a combination of intrusion detection, file integrity monitoring, and anti-malware technologies. There are alarms and logs associated with those systems. Uninterrupted Data, Integrity, Authentication	Business Payment Systems is one of the fastest growing payment processing services in the industry. We have a tokenization and P2P encryption software to process transactions securely upon many avenues.	TSYS' in-house risk department oversees each transaction to ensure fraudulent activity is acted upon quickly. Should a transaction require more details due to large volume, we are able to address this immediately, and ensure minimal hold times for our cash flow.	BASYS utilizes both random surveys of all customer support interactions and NPS surveys to ensure that we are well above most processor's NPS scores.
30	Describe the system controls that assure accuracy of the processing and reporting of credit/debit transaction processing.	Ensures that access to PII Information about our clients is restricted to individuals that have a business need to access the info. And that maintenance processes work effectively to ensure proper integrity.	We use our Cardpointe portal to give you the power to manage processed payments and view full transaction lifecycle reports in real time. This enables you to manage processed payments and view full transaction lifestyle reports, making accounting a breeze.	TSYS Transaction Summary provides merchants reporting needs, including access to monthly statements	Partner with First Data and TSYS who provide robust reporting options.
31	Describe the security measures in place for the protection of data transmitted for processing.	Data Loss Prevention, Application or Data Centric Encryption, File system, File or Folder Level Encryption, Data Masking or other compensating controls	CardConnect has patented tokenization and P2P encryption for both card present and card not present to give our customers unparalleled payment security.	TSYS maintains a comprehensive security program that is audited each year by a Qualified Security Assessor to validate compliance with Payment Card Industry Data security Standards.	All processing methods we interact with are on the PCI certified vendor list.

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VENDOR	BBVA Merchant Services provided by First Data Merchant Services, LLC.	Business Payment Systems	Plains Capital Bank	IBC Merchant Services	
32	Describe the company's commercially reasonable security measures used to prevent fraud and unauthorized user access to either the system or the data. Please indicate if there has ever been a compromise to any credit card systems or application through as security breach. If yes, explain the process your company took to notify customers, the steps taken to protect the customer's data and the safeguards put in place to prevent it in the future.	First Data has developed and implemented written policies and procedures regarding data privacy and data security. First Data regularly examines and updates privacy and security programs in light of changing legal and regulatory requirements.	CardConnect has secure P2P encrypted devices that are malware-resistant that we offer our clients. P2P is the only way to truly protect transactions. All sensitive data is instantly encrypted upon swipe/dip, protecting you and your customers from data breach. To date, we have not had a breach in our security.	Please see item 31. TSYS remains compliant with Visa, MasterCard, and other card brand data protection programs.	We are PCI certified and have an SAQ on file. Our buildings are secure, and access is only granted to associates.
33	Describe the various types of insurance coverage and indemnification provided to protect clients utilizing the services.	General Liability, Professional Liability. First Data's Errors and Omissions insures against business and general interruptions due to breach.	All insurances are offered by our processor Cardconnect.	Data Breach Coverage. TSYS covers our Merchant base coverage for the unexpected exposes associated with a breach up to \$100K per MID with no deductible.	We offer breach coverage through our PCI vendor partnership with Security Metrics.
34	Describe the fraud and loss prevention efforts you have in place.	Data Loss Prevention, Application or Data Centric Encryption, File system, File or Folder Level Encryption, Data Masking or other compensating controls		TSYS Risk Department screens all transactions for possible fraud. TSYS developed and maintains an in-house fraud monitoring system. Risk and Fraud reviews are conducted on all of TSYS' merchants.	Our buildings are secure, and access is only granted to associates. We do not store credit or merchant information on our servers. We have never experienced a data breach.
35	Describe any services you provide pertaining to PCI compliance such as vulnerability scanning.	External and internal vulnerability scans are performed on a quarterly basis and after any significant infrastructure or application upgrade or modification. Follow-up vulnerability scans are performed monthly. External and internal penetration tests are performed on an annual basis and after any significant infrastructure or application upgrade or modification.	All PCI scanning is done through Trustwave. Cardconnect uses Trustwave as they are the most recognized PCA validation in the merchant service industry.	A full service program designed to both educated the Merchant and enable the Merchant to achieve PCI compliance. TSYS has partnered with ControlScan, providing PCI compliance solutions that specifically fit the needs of Level 4 Merchants to being the solution to market. We use Compliance 101 to educate merchants on best practices, hardware/software compliance info., encryption information, data breach coverage, and provide information for level 1, 2, and 3 merchants.	BASYS has a dedicated PCI compliance team that reaches out to our merchants to assist them in completing the appropriate self-assessment questionnaire....
36	Will you provide additional credit card machines, as requested by STC, at no charge (see Section 5.2 E.)? If there is a charge involved, please indicate this on Exhibit 2 ("PRICING INFORMATION).	No. Please refer to Exhibit 2 - Pricing Information	The devices will be EMV, Apple Pay, and contactless as a standard. All of our terminals are secured with P2P encryption and tokenization that means you can accept cards with magnetic stripes and EMV chips with a peace of mind. These devices will also report live to the merchants portal to see transactions as they are done live.	Yes	Depending on the terminals that STC decides to use there could be a cost for replacement and or addition.
37	Describe alternative payment services you provide that will help expand credit card payment options such as mobile payments.	We support branded "pay apps" such as Apple Pay, Samsung Pay, AliPay, WeChat Pay, China Union Pay and Google Pay. Our mobile payment gateway is compatible with nearly every mobile phone that has a Web browser and data plan.	We provide the opportunity to take payments by Point of Sales devices, Credit Card Terminals, Online via shopping carts, Virtual Terminals, and through our proprietary app on mobile devices. We have the most ways to take card present and card-not-present transactions using P2P encryption in the industry with unparalleled security.	We recommend Transaction Express. It is TSYS' proprietary web-based centralized payment processing system. It allows payment processing 24 hours a day. In addition to the standard Transaction express account, we provide ability to accept ACH transactions. TSYS also supports Authorize.net, Paymentech NetConnect, and Global VPN through their 24 hour in-house Merchant Support Desk.	We have mobile payment, contactless payment, and wallet solutions, along with marketing and promotion campaigns to increase adoption of merchant credit card payments. Clover Go (First Data) and Vital Mobile (TSYS)

EXHIBIT 2: PRICING INFORMATION

A	Prising				
	Net Sales for the Month - \$1,110,853.51	\$ 3,332.56	0.05%	\$10	10.00%
	Transaction Fees				
	Credit card transaction fee	\$ 0.02	\$ -	DID NOT SUBMIT PRICING WORKSHEET	\$ 0.05
	Pin-less debit card transaction fee	\$ 0.02	\$ -		\$ 0.05
	Pin-based debit card transaction fee	\$ 0.02	\$ 0.05		\$ 0.15
	Refund transaction fee	\$ 0.02	\$ 0.05		\$ -
	Chargeback fee	\$ 10.00	\$ 25.00		\$ 15.00
	Retrieval fee	\$ 10.00	\$ 15.00		\$ 15.00
	Online Authorization Fee	\$ 0.02	\$ 0.05		\$ 0.05
	Voice Authorization Fee	\$ 0.75	\$ 0.95		\$ 0.95
	Voice Operator Assistance Fee	\$ 0.75	\$ 0.95		\$ 2.50
	Internet Processing-Transaction Fee	\$ 0.05	\$ 0.05		\$ -
	Internet Processing-Monthly Gateway Fee	Waived	\$ 9.95		\$ 15.00
	Debit Monthly Service Fee	Waived	\$ -		\$ -
	Cellular Data Fees for Mobile Payments	\$ 19.95	\$ -		\$ -
	Other Processing Fees				
	PCI Monthly Fee	Waived	\$ 3.50	\$ 9.50	
	PCI Non-Compliance Fee	\$29.95 per MID	\$ 29.99	\$ 24.95	
	Monthly Minimum Processing Fee	Waived	\$ -	\$ 15.00	
	Web Reporting Tool Fee	Waived	\$ -	\$ -	
	Chargeback Case Management Fee	Waived	\$ 8.00	\$ -	
	Paper Statement Fee	\$ 5.00		\$ -	
	Bank Referral Authorization Fee	Waived	\$ -	\$ 2.50	
	Data Security Insurance	Waived	\$ 8.95	\$ 5.95	
	Equipment Fee, Programming	Waived	\$ -	\$ -	
	Equipment Fee, Replacement	Waived	\$ 170.00	\$ -	
	Installation Fee	Waived	\$ -	\$ -	
	Implementation and Conversion Costs	Waived	\$ -	\$ -	
	Other Fees (specify)	PCI Annual Compliance Fee \$119.00	\$ -	\$ -	
	Price escalation for 3rd, 4th and 5th year of contract	None	.05%, .05%, .05%	None	
	Interchange Fees				
	Will bank pass-through current interchange, dues and assessments with markup? If yes, provide interchange fees and markups for each respective card brand below.	Waived	No	No	No

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3. MERCHANT SERVICES
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VENDOR	BBVA Merchant Services provided by First Data Merchant Services, LLC.	Business Payment Systems	Plains Capital Bank	IBC Merchant Services
Interchange Fees Markup				
	Interchange fees are based upon numerous variables, those being the (1) type of card presented e.g. rewards cards, (2) how the card is accepted and information obtained from the card and(3) timeliness of batching out.			
A Charges Based on Sample Month's Transactions for the Year's Highest Month				
Gross Sales				
VISA-Credit Transactions \$207,670.56	\$ 623.01	\$ 103.84		\$ 207.67
MasterCard-Credit Transactions \$121,170.04	\$ 363.51	\$ 60.59		\$ 121.15
Discover-Card Transactions \$43,707.31	\$ 131.12	\$ 21.85		\$ 43.71
VISA Signature Debit-Credit Transactions \$715,203.02	\$ 2,145.61	\$ 357.60		\$ 715.20
MasterCard Signature Debit-Credit Transactions \$150,662.68	\$ 451.99	\$ 75.33		\$ 150.66
Discover Signature Debit-Credit Transactions \$144.80	\$ 0.43	\$ 0.07		\$ 0.14
	Note: Fee Plus IC			
Gross Sales Transactions				
VISA-Credit Transactions 474	\$ 9.48	\$ -		\$ 23.70
MasterCard-Credit Transactions 307	\$ 6.14	\$ -		\$ 15.35
Discover-Card Transactions 113	\$ 2.26	\$ -		\$ 5.65
VISA Signature Debit-Credit Transactions 2,710	\$ 54.20	\$ -		\$ 135.50
MasterCard Signature Debit-Credit Transactions 581	\$ 11.62	\$ -		\$ 29.05
Discover Signature Debit-Credit Transactions 2	\$ 0.04	\$ -		\$ 0.10
Refunds				
VISA-Credit Transactions \$22,135.47	N/A	\$ 11.07		\$ -
MasterCard-Credit Transactions \$11,623.40	N/A	\$ 5.81		\$ -
Discover-Card Transactions \$8,808.05	N/A	\$ 4.40		\$ -
VISA Signature Debit-Credit Transactions \$69,043.56	N/A	\$ 34.52		\$ -
MasterCard Signature Debit-Credit Transactions \$16,094.42	N/A	\$ 8.05		\$ -
Discover Signature Debit-Credit Transactions \$44.80	N/A	\$ 0.02		\$ -
Refunds Transactions				
VISA-Credit Transactions 56	\$ 1.12	\$ 2.80		\$ -
MasterCard-Credit Transactions 30	\$ 0.60	\$ 1.50		\$ -
Discover-Card Transactions 19	\$ 0.38	\$ 0.95		\$ -
VISA Signature Debit-Credit Transactions 227	\$ 4.54	\$ 11.35		\$ -
MasterCard Signature Debit-Credit Transactions 50	\$ 1.00	\$ 2.50		\$ -
Discover Signature Debit-Credit Transactions 1	\$ 0.02	\$ 0.05		\$ -
Authorizations				
VISA 520	N/A	\$ 26.00		\$ 26.00
MasterCard 315	N/A	\$ 15.75		\$ 15.75
Discover-Card Transactions 80	N/A	\$ 4.00		\$ 4.00
Debit 2,800	N/A	\$ 140.00		\$ 420.00
Miscellaneous				
Chargebacks - VISA 20 for \$2,000	\$ 200.00	\$ 500.00		\$ 300.00
Chargebacks - MasterCard 10 for \$1,000	\$ 100.00	\$ 250.00		\$ 150.00
Chargebacks - Discover 2 for \$200	\$ 200.00	\$ 50.00		\$ 30.00
Total Fees Billed for the Month	\$ 4,307.07	\$ 1,688.05	\$ -	\$ 2,393.63
TOTAL EVALUATION POINTS	73.67	66.6	****	57.07
RANKING	1	2	****	3

***The vendor submitted the incorrect proposal, therefore was not evaluated.

The Director of Purchasing has reviewed all the responses and evaluations completed.

**SOUTH TEXAS COLLEGE
3. MERCHANT SERVICES
PROJECT NO. 19-20-1019
EVALUATION SUMMARY**

VENDOR		BBVA Merchant Services provided by First Data Merchant Services, LLC.	Business Payment Systems	IBC Merchant Services			
STREET		5565 Glenridge Connector NE	3900 N Jackson Rd	15423 W 100th Terrace			
CITY/STATE/ZIP		Atlanta, GA 30342	Pharr, TX 78577	Lenexa, KS 66219			
PHONE		513-878-8123	956-867-9303	956-450-0212			
FAX		513-489-6521	956-631-1222	800-490-9517			
CONTACT		Jacqueline Engle	Andrew Yoo	Bert Garcia			
1	The purchase price. (up to 40 points)	15.67	15.67	40	40	28.2	28.2
		15.67		40		28.2	
		15.67		40		28.2	
		15.67		40		28.2	
		15.67		40		28.2	
2	The reputation of the vendor and the vendor's goods and/or services. (up to 18 points)	17.5	17.1	7.8	7.8	9.2	8.6
		16.5		7.8		8.2	
		16.5		7.8		8.2	
		17.5		7.8		9.2	
		17.5		7.8		8.2	
3	The quality of the vendor's goods or services. (up to 18 points)	18	18	6.6	6.6	9.05	9.02
		18		6.6		9.05	
		18		6.6		9	
		18		6.6		9	
		18		6.6		9	
4	The extent to which the goods or services meet the district's needs. (up to 15 points)	15	14.9	5.75	6.2	4.25	4.25
		15		6		3.75	
		15		6.75		4.25	
		14.5		5.75		4.75	
		15		6.75		4.25	
5	The vendor's past relationship with the College. (up to 3 points)	3	3	2	2	2	2
		3		2		2	
		3		2		2	
		3		2		2	
		3		2		2	
6	The impact on the ability of the College to comply with the laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0	0	0	0	0
		0		0		0	
		0		0		0	
		0		0		0	
		0		0		0	
7	The total long-term cost to the College to acquire the vendor's goods or services. (up to 5 points)	5	5	4	4	5	5
		5		4		5	
		5		4		5	
		5		4		5	
		5		4		5	
TOTAL EVALUATION POINTS		73.67		66.6		57.07	
RANKING		1		2		3	

The Director of Purchasing has reviewed all the responses and evaluations completed.

NO BACKUP FOR

- 4. Multifunction Copier Equipment and Services**
- 5. (Reject)**

SOUTH TEXAS COLLEGE
5. INSTRUCTIONAL TRAINING SYSTEM

NAME			Technical Laboratory Systems, Inc.	
ADDRESS			P O Box 218609	
CITY/STATE/ZIP			Houston, TX 77218	
PHONE			800-445-1088	
FAX			281-391-1113	
CONTACT			Mike Sudduth	
#	Qty	Description	Unit Price	Extension
1	1	Turbine Gnerator Troubleshooting Learning System	\$ 59,045.00	\$ 59,045.00
2	1	Shipping and Handling	\$ 2,000.00	\$ 2,000.00
3	1	Installation and Orientation	\$ 1,250.00	\$ 1,250.00
TOTAL AMOUNT			\$	62,295.00

SOUTH TEXAS COLLEGE
6. DISTRICT WIDE FURNITURE REQUEST
NOVEMBER 26, 2019

#	Qty	Description	Unit Price	Extension	Requesting Department
Allsteel, Inc. /Broussard Group (OMNIA Partners)					
1	12	SCU-UWDF Scout Upholstered Back Chair, Adj Arms	\$ 496.08	\$ 5,952.96	Tech S&R Bldg D Office Reno-FFE - Dr. Shirley A. Reed
					Chairs to be used at the Central Receiving conference room
2	1	Labor to receive, inspect, deliver, install and remove debris	\$ 449.03	\$ 449.03	
		Allsteel, Inc. Total		\$ 6,401.99	
Computer Comforts, Inc. (TIPS)					
1	21	Mobile double-sided White Glass Board 37"Wx76"H	\$ 852.60	\$ 17,904.60	Centers for Learning Excellence - Jesus Campos
	1	Shipping and Installation	\$ 2,044.00	\$ 2,044.00	Mobile double-sided white boards will be used for the
					Supplement Instructions/workshop and trainings multi-purpose room
		Computer Comforts, Inc. Total		\$ 19,948.60	
Datum Filing Systems, Inc. / Gateway Printing and Office Supply, Inc. (TIPS)					
1	1	203KH- heavy duty plus trasklider top shelf	\$ 30.49	\$ 30.49	Regional Center for Public Safety Excellence - Jose Moroles
	4	1836TH Unslotted Heavy Duty Plus Shelf 36"x18"D	\$ 32.03	\$ 128.12	Shelves will be used at storage room organize supplies
	1	2036KH- heavy duty plus trasklider	\$ 32.29	\$ 32.29	
	4	2036TH-unslotted heavy duty plus shelf	\$ 34.77	\$ 139.08	
	4	7620LO-open L upright	\$ 47.24	\$ 188.96	
	8	HR20-heavy duty plus shelf	\$ 2.88	\$ 23.04	
	10	HS-3014 heavy duty shelf support	\$ 4.29	\$ 42.90	
	10	HS-3611 heavy duty plus shelf support	\$ 5.83	\$ 58.30	
	4	1230TH- unslotted heavy duty	\$ 17.02	\$ 68.08	
	16	1230TH- unslotted heavy duty	\$ 17.02	\$ 272.32	
	8	7612Lo-open L	\$ 42.41	\$ 339.28	
	16	HR12- heavy duty plus	\$ 2.55	\$ 40.80	
	40	HS-3014 heavy duty plus shelf	\$ 4.29	\$ 171.60	
2	1	Labor to receive, inspect, deliver, install and remove debris	\$ 155.00	\$ 155.00	
		Datum Filing Systems, Inc. Total		\$ 1,690.26	
The Hon Company / Gateway Printing and Office Supply, Inc. (OMNIA Partners)					
1	2	HS72ABC Brigade Bookcase 5shelf 12-5/8Dx341/2Wx71H	\$205.38	\$410.76	Curriculum & Student Learning - Christopher A. Nelson
					Bookcases for Learning Outcomes Specialist's offices
2	1	H882 Brigade 800 Series Lateral File 2 drawer	\$363.73	\$363.73	Career & Employer Services - Celinda Palacios
					File cabinet to be used by staff to store employee files
3	2	HSC2472 Storage Cabinet 24Dx36Wx72H	\$498.96	\$997.92	Electrician Assistant Program - Jose Vela
					Storage cabinets to be used in the labs to store equipment
4	1	HSC2472 Storage Cabinet 24Dx36Wx72H	\$498.96	\$498.96	Centers for Learning Excellence - Jesus Campos
					Storage cabinet to be used at the Mid Valley Campus CLE

SOUTH TEXAS COLLEGE
6. DISTRICT WIDE FURNITURE REQUEST
NOVEMBER 26, 2019

#	Qty	Description	Unit Price	Extension	Requesting Department
5	2	HSC2472 Storage Cabinet 24Dx36Wx72H	\$498.96	\$997.92	Centers for Learning Excellence - Jesus Campos Storage cabinets to be used at the CLE at Technology Campus
6	1	H312 Vertical File 2 Drawer with Lock	\$194.46	\$194.46	Learning Commons and Open Labs - Lelia Salinas Vertical File to used at the La Joya Jimmy Carter Library
7	2	H314 Vertical File Cabinet, 4 Drawer Letter with Lock	\$264.18	\$528.36	Political Science Program - Robert Ballinger Vertical file to be used by faculty members
8	1	H38291R 30Dx66W-2R w/Lock Single Ped Desk	\$684.20	\$684.20	Office Administration - Iris Jasso
	1	H38216L 24Dx48Wx29-1/2H 2L w/Lock Flush Rtn	\$449.24	\$449.24	Desk for faculty office
9	2	H884 Brigade 800 Series Lateral File 4 Drawer	\$635.04	\$1,270.08	Office of Institutional Equity - Mary Elizondo File cabinets to be used to store confidential documents
10	1	HSC2472 Storage Cabinet 24D x 36W x72H	\$498.96	\$498.96	Regional Center for Public Safety Excellence - Jose Moroles Storage cabinet will be used at storage room to organize supplies
11	1	Labor to receive, inspect, deliver, install and remove debris	\$2,970.00	\$2,970.00	
The Hon Company Total				\$9,864.59	
Krueger International, Inc. / Gateway Printing & Office Supply, Inc. (Sourcewell)					
1	2	S19250496 Custom Pirouette Table Fixed Collaborative, Rectangular 30x72"	\$600.48	\$1,200.96	Tech S&R Bldg D Office Reno-FFE - Dr. Shirley A. Reed Conference tables need for the Central Receiving conference room
2	4	U3W12048 Unite 120 Deg 3-Way Corner,48"H	\$188.64	\$754.56	Distance Learning - Ana Peña
	20	UCANTST.L Unite Standard Cantilever Bracket, Left	\$13.92	\$278.40	Workstations for the Distance Learning Department staff
	8	UCANTST.R Unite Standard Cantilever Bracket, Right	\$13.92	\$111.36	
	8	UEOR48 Unite End-Of-Run Condition,48"H	\$28.32	\$226.56	
	4	UET6PJINL Unite Inline Panel Jumper,6 Circuit,12"L	\$24.96	\$99.84	
	4	UET6PJINT Unite Intersection Panel Jumper,6 Circuit,15-1/2"L	\$27.84	\$111.36	
	4	UET6RRC.1 Unite 15 Amp Duplex Receptacle w/Bezel,Racewy,6 Circuit,Cir 1	\$14.40	\$57.60	
	6	UET6RRC.2 Unite 15 Amp Duplex Receptacle w/Bezel,Racewy,6 Circuit,Cir 2	\$14.40	\$86.40	
	6	UET6RRC.4I Unite 15 Amp Duplex Receptacle w/Bezel,Racewy,6 Circuit,Cir 4	\$14.40	\$86.40	
	6	UET6RRC.5I Unite 15 Amp Duplex Receptacle w/Bezel,Racewy,6 Circuit,Cir 5	\$14.40	\$86.40	
	2	UET6WW.24 Unite Rigid Wireway,10-Wire System,6 Circuit,24"W Panel	\$48.96	\$97.92	
	8	UET6WW.42 Unite Rigid Wireway,10-Wire System,6 Circuit,42"W Panel	\$54.72	\$437.76	
	2	UETF0724 Unite Top Infeed w/7-Foot Pole And Top Cap,24" Panel	\$229.44	\$458.88	
	11	ULP24WBBF U-Series Worksurface Supporting Pedestal, Box/Box/File,24" Nominal	\$214.56	\$2,360.16	
	2	UMFR2448 Unite Mono Fabric Panel, Standard Base Raceway,24Wx48"H	\$190.56	\$381.12	
	12	UMFR4248 Unite Mono Fabric Panel, Standard Base Raceway,42Wx48"H	\$285.60	\$3,427.20	
	8	UPSLO2429 Unite Support Leg, Panel Mounted,Open,24x27-3/4"H	\$96.48	\$771.84	
	8	UPSLO2429 Unite Support Leg, Panel Mounted,Open,24x27-3/4"H	\$96.48	\$771.84	
	8	USPLPL Unite Splice Plate, For 24 & 30" Deep Worksurfaces	\$3.36	\$26.88	

SOUTH TEXAS COLLEGE
6. DISTRICT WIDE FURNITURE REQUEST
NOVEMBER 26, 2019

#	Qty	Description	Unit Price	Extension	Requesting Department
	12	UWIC12024424224-74P Unite 90D End Corner Worksurface,74P Edge,24x42x24"W	\$444.00	\$5,328.00	
	4	UWR2424-74P Unite Rectangular Worksurface,74P Edge,24x24"W	\$104.16	\$416.64	
	1	U3W12048 Unite 120 Deg 3-Way Corner,48"H	\$188.64	\$188.64	
	5	UCANTST.L Unite Standard Cantilever Bracket, Left	\$13.92	\$69.60	
	2	UCANTST.R Unite Standard Cantilever Bracket, Right	\$13.92	\$27.84	
	3	UEOR48 Unite End-Of-Run Condition,48"H	\$28.32	\$84.96	
	1	UET6PJINL Unite Inline Panel Jumper,6 Circuit,12"L	\$24.96	\$24.96	
	1	UET6PJINT Unite Intersection Panel Jumper,6 Circuit,15-1/2"L	\$27.84	\$27.84	
	1	UET6RBFU Unite Base Infeed w/Bezel, Standard Base,6 Circuit	\$77.76	\$77.76	
	3	UET6RRC.2 Unite 15 Amp Duplex Receptacle w/Bezel,Raceyw,6 Circuit,Cir 2	\$14.40	\$43.20	
	3	UET6RRC.5I Unite 15 Amp Duplex Receptacle w/Bezel,Raceyw,6 Circuit,Cir 5	\$14.40	\$43.20	
	1	UET6WW.24 Unite Rigid Wireway,10-Wire System,6 Circuit,24"W Panel	\$48.96	\$48.96	
	2	UET6WW.42 Unite Rigid Wireway,10-Wire System,6 Circuit,42"W Panel	\$54.72	\$109.44	
	3	ULP24WBBF U-Series Worksurface Supporting Pedestal, Box/Box/File,24" Nominal	\$214.56	\$643.68	
	1	UMFR2448 Unite Mono Fabric Panel, Standard Base Raceway,24Wx48"H	\$190.56	\$190.56	
	3	UMFR4248 Unite Mono Fabric Panel, Standard Base Raceway,42Wx48"H	\$285.60	\$856.80	
	3	UPSLO2429 Unite Support Leg, Panel Mounted,Open,24x27-3/4"H	\$96.48	\$289.44	
	3	UPSLO2429 Unite Support Leg, Panel Mounted,Open,24x27-3/4"H	\$96.48	\$289.44	
	2	USPLPL Unite Splice Plate, For 24 & 30" Deep Worksurfaces	\$3.36	\$6.72	
	3	UWIC12024424224-74P Unite 90D End Corner Worksurface,74P Edge,24x42x24"W	\$444.00	\$1,332.00	
	2	UWR2424-74P Unite Rectangular Worksurface,74P Edge,24x24"W	\$104.16	\$208.32	
	1	U4W9048 Unite 4-Way "X" Intersection,48"H	\$71.52	\$71.52	
	2	UCANTST.L Unite Standard Cantilever Bracket, Left	\$13.92	\$27.84	
	2	UCANTST.R Unite Standard Cantilever Bracket, Right	\$13.92	\$27.84	
	3	UEOR48 Unite End-Of-Run Condition,48"H	\$28.32	\$84.96	
	3	UET6PJINT Unite Intersection Panel Jumper,6 Circuit,15-1/2"L	\$27.84	\$83.52	
	4	UET6RRC.1 Unite 15 Amp Duplex Receptacle w/Bezel,Raceyw,6 Circuit,Cir 1	\$14.40	\$57.60	
	6	UET6RRC.4I Unite 15 Amp Duplex Receptacle w/Bezel,Raceyw,6 Circuit,Cir 4	\$14.40	\$86.40	
	2	UET6WW.30 Unite Rigid Wireway,10-Wire System,6 Circuit,30"W Panel	\$50.88	\$101.76	
	2	UET6WW.60 Unite Rigid Wireway,10-Wire System,6 Circuit,60"W Panel	\$62.40	\$124.80	
	4	ULP24MBBF U-Series Mobile Pedestal, Box/Box/File,24" Nominal Depth	\$204.48	\$817.92	
	2	UMFR3048 Unite Mono Fabric Panel, Standard Base Raceway,30Wx48"H	\$216.00	\$432.00	
	2	UMFR6048 Unite Mono Fabric Panel, Standard Base Raceway,60Wx48"H	\$347.52	\$695.04	
	1	UNWM48 Unite Adjust Wall Mount,48"	\$76.32	\$76.32	
	2	UPSLO3029 Unite Support Leg, Panel Mounted,Open,30x27-3/4"H	\$104.64	\$209.28	
	2	UPSLO3029 Unite Support Leg, Panel Mounted,Open,30x27-3/4"H	\$104.64	\$209.28	
	4	UWR3060-74P Unite Rectangular Worksurface,74P Edge,30x60"W	\$176.64	\$706.56	
3	12	MSP Maestro Stack Chair, Polypropylene	\$80.16	\$961.92	FFE Unallocated - Academic Support - Rick De La Garza
	4	DN5300 Doni Task Armless Chair,Uph Seat/Back, Solid Color	\$274.56	\$1,098.24	Tables and chairs for the Regional Center of Public Safety portables
	6	PINR3060T-74P Pirouette, Nesting Training,Rectangular,30x60",74P Edge	\$579.84	\$3,479.04	
	2	WBWD2472-74P Workzone 24 x 72 Powered Table, Hard Wire	\$528.00	\$1,056.00	

SOUTH TEXAS COLLEGE
6. DISTRICT WIDE FURNITURE REQUEST
NOVEMBER 26, 2019

#	Qty	Description	Unit Price	Extension	Requesting Department
4	8	TGNAPB Torsion on the Go Armless Chair,Poly Back/Upholstered Seat	\$345.12	\$2,760.96	FFE Unallocated - Academic Support - Rick De La Garza
	4	HUN2460-74P Hurry Up 24 x 60 Nesting Table	\$635.52	\$2,542.08	Classroom tables and chairs for Mid Valley Bldg K to increase student seating capacity in the classrooms
5	2	Wireworks Standard Horizontal Rail 24"L Black	\$13.44	\$26.88	Centers for Learning Excellence - Jesus Campos
	10	Wireworks Standard Horizontal Rail 30"L Black	\$14.88	\$148.80	The reception/circulation desk will be used to
	1	Wireworks Top Caps 24"W Black	\$12.96	\$12.96	assist students, staff, and community users at the Centers for
	5	Wireworks Top Caps, 30"W, Black	\$15.36	\$76.80	Learning Excellence at Starr County Campus
	6	Wireworks Top Cap Splice Plate, Standard Trim	\$0.48	\$2.88	
	1	Wireworks Tech Panel Single Side Base Raceway	\$23.04	\$23.04	
	5	Wireworks Tech Panel Single Side Base Raceway	\$25.92	\$129.60	
	1	Wireworks Laminate Tile 24WX36"H	\$163.68	\$163.68	
	1	Wireworks Laminate Tile 24Wx42"H	\$176.16	\$176.16	
	2	Wireworks Laminate Tile 30Wx24"H	\$151.68	\$303.36	
	2	Wireworks Laminate Tile 30Wx30"H	\$163.20	\$326.40	
	3	Wireworks Laminate Tile 30Wx36"H	\$182.40	\$547.20	
	3	Wireworks Laminate Tile 30Wx42"H	\$197.28	\$591.84	
	1	Wireworks 90 Deg Cnr Cntrtop, No Notch, 74P Edge,	\$256.32	\$256.32	
	1	Wireworks Straight Cntrtop, No Notch,74P Edge, 54W	\$184.32	\$184.32	
	1	Wireworks Strght Cntrtop,Whlchr Ht,Lt Std Notch,	\$210.72	\$210.72	
	1	Wireworks Univ. Base Infeed w/Bezel, 6 Circuit,	\$109.44	\$109.44	
	3	Wireworks 17" Panel to Panel Jumper,6 Circuit	\$41.76	\$125.28	
	1	Wireworks 20" Panel to Panel Jumper, 6 Circuit	\$42.24	\$42.24	
	1	Wireworks 15 Amp Duplex Receptacle w/Bezel,	\$15.36	\$15.36	
	1	Wireworks 15 Amp Duplex Receptacle w/Bezel	\$15.36	\$15.36	
	1	Wireworks 15 Amp Duplex Receptacle w/Bezel	\$15.36	\$15.36	
	1	Wireworks Rigid Wireway,10-wire system 6 circuit,	\$55.68	\$55.68	
	4	Wireworks Rigid Wireway, 10-wire system, 6 circuit	\$58.08	\$232.32	
	1	Wireworks Rectangular Worksurface,74P Edge,	\$219.84	\$219.84	
	1	Wireworks Rectangular Worksurface,74P Edge,	\$239.52	\$239.52	
	1	700 Series Files Supporting Ped-Box/Box/File-30"	\$439.20	\$439.20	
	1	700 Series Files Supporting Ped-File/File-30"	\$396.00	\$396.00	
	1	Wireworks Tech Panel 90 Deg 2-Way "L" Corner,	\$105.60	\$105.60	
	1	Wireworks Tech Panel End-of-Run, Unuphol, 30"H	\$32.16	\$32.16	
	1	Wireworks Tech Panel End-of-Run, Unuphol, 42"H	\$40.32	\$40.32	
	1	Wireworks Tech Panel 180 Deg 2-way In-line	\$21.12	\$21.12	
	2	Wireworks Tech Panel 180 Deg 2-way in-line	\$24.96	\$49.92	
	1	Wireworks Tech Panel 180 Deg 2-way In-line	\$39.36	\$39.36	
6	1	7D/D3066-74P-F 700 700 Series Desk,Full Modesty	\$601.44	\$601.44	Student Assessment Center - Guadalupe Lozano
	1	7D/R2448-74P-F 700 Series Desk,Return,Full Modesty	\$437.28	\$437.28	Desk needed for Testing Specialist

SOUTH TEXAS COLLEGE
6. DISTRICT WIDE FURNITURE REQUEST
NOVEMBER 26, 2019

#	Qty	Description	Unit Price	Extension	Requesting Department
	1	S7P/1530WBBF 700 Series Files Supporting Ped-Box/	\$439.20	\$439.20	
	1	S7P/1524WFF 700 Series Files Supporting Ped-File	\$381.12	\$381.12	
7	2	46.0002.24 Wireworks Standard Horizontal Rail,24"L	\$13.44	\$26.88	Student Assessment Center - Guadalupe Lozano
	2	46.0002.30 Wireworks Standard Horizontal Rail,30"L	\$14.88	\$29.76	Workstation to be used in the Student Assessment Front Area
	4	46.0002.36 Wireworks Standard Horizontal Rail,36"L	\$16.80	\$67.20	
	2	46.0002.42 Wireworks Standard Horizontal Rail,42"L	\$18.24	\$36.48	
	1	46.0040.24 Wireworks Top Caps,24"W	\$12.96	\$12.96	
	1	46.0040.30 Wireworks Top Caps,30"W	\$15.36	\$15.36	
	2	46.0040.36 Wireworks Top Caps,36"W	\$15.36	\$30.72	
	1	46.0040.42 Wireworks Top Caps,42"W	\$20.64	\$20.64	
	5	46.0365 Wireworks Top Cap Splice Plate	\$0.48	\$2.40	
	1	46.1215.24 Wireworks Tech Panel Single Side Base R	\$23.04	\$23.04	
	1	46.1215.30 Wireworks Tech Panel Single Side Base R	\$25.92	\$25.92	
	2	46.1215.36 Wireworks Tech Panel Single Side Base R	\$26.88	\$53.76	
	1	46.1215.42 Wireworks Tech Panel Single Side Base R	\$35.04	\$35.04	
	1	PLT2436 Wireworks Laminate Tile,24Wx36"H	\$163.68	\$163.68	
	1	PLT2442 Wireworks Laminate Tile,24Wx42"H	\$176.16	\$176.16	
	1	PLT3036 Wireworks Laminate Tile,30Wx36"H	\$182.40	\$182.40	
	1	PLT3042 Wireworks Laminate Tile,30Wx42"H	\$197.28	\$197.28	
	2	PLT3636 Wireworks Laminate Tile,36Wx36"H	\$196.80	\$393.60	
	2	PLT3642 Wireworks Laminate Tile,36Wx42"H	\$218.88	\$437.76	
	1	PLT4236 Wireworks Laminate Tile,42Wx36"H	\$216.48	\$216.48	
	1	PLT4242 Wireworks Laminate Tile,42Wx42"H	\$250.08	\$250.08	
	1	PW9036-S-74P WireWorks 90 Deg Cnr Cnrtrop,No Notch	\$303.36	\$303.36	
	1	PWCT30-S-74P WireWorks Straight Cnrtrop,No Notch,7	\$135.36	\$135.36	
	1	PWCT42-S-74P WireWorks Straight Cnrtrop,No Notch,7	\$164.64	\$164.64	
	1	PWM42 Wireworks Adjustable Wall Mount,42"H	\$84.96	\$84.96	
	2	TCP90/42 WireWorks Tech Panel 90 Deg 2-Way "L" Cor	\$105.60	\$211.20	
	1	TEP/42 WireWorks Tech Panel End-of-Run,Unuphol,42"	\$40.32	\$40.32	
	2	TFP/42 WireWorks Tech Panel 180 Deg 2-Way In-Line	\$24.96	\$49.92	
8	2	S19251168 Custom-Barron Table with Fixed Leg, Square, X Base	\$424.60	\$849.20	College Success - Rene Zuniga
	1	B255F-74P Barron Table Fixed Leg, Rect, T Base, 74P Edge	\$658.56	\$658.56	Conference table, guest chair to be used at
	2	RAPWAUS Rapture Four Leg Arm Chair, Uph Seat/Poly	\$209.76	\$419.52	the faculty offices
9	1	S7P/1524FFF 700 Series Files Freestanding Ped File	\$435.36	\$435.36	Cashiers Office - Myriam Lopez
					File cabinet to used at the Cashiers Office
10	5	Wireworks Standard Horizontal Rail,30"L,Black	\$14.88	\$74.40	Business Office - Myriam Lopez
	2	Wireworks Domestic PowerBaseTrim/Raceway,30"W	\$37.92	\$75.84	Workspace surface to be used at the Business Office cubicle
	2	Wireworks Top Caps,30"W	\$16.36	\$32.72	

**SOUTH TEXAS COLLEGE
6. DISTRICT WIDE FURNITURE REQUEST
NOVEMBER 26, 2019**

#	Qty	Description	Unit Price	Extension	Requesting Department
	2	Wireworks Laminate Tile 30Wx24"H	\$151.68	\$303.36	
	4	Wireworks Laminate Tile 30Wx36"H	\$182.40	\$729.60	
	1	WW Rigid Wireway 10 Wire System 6 Circuit 30"WPnl	\$58.08	\$58.08	
	1	WW Rectangular Worksurface 74P Edge 30x78"W	\$235.68	\$235.68	
11	12	RP5 Premier Folding Tables, Solid Core 60"Dia	\$261.12	\$3,133.44	New Furniture - Rick De La Garza
	7	RP5 Premier Folding Tables, Solid Core 60"Dia	\$261.12	\$1,827.84	Tables to replace old furniture at Pecan Bldg F conferece room
12	1	Labor to receive, inspect, deliver, install and remove debris	\$10,345.37	\$10,345.37	
Krueger International, Inc. Total				\$67,652.73	
Landscape Forms (NCPA)					
1	2	Harpo Bench- 69,aluminum slats backless bench	\$993.27	\$1,986.54	Regional Center for Public Safety Excellence - Jose Moroles
	1	Shipping and Handling	\$345.00	\$345.00	Benches will be for the shower area in the locker room
Landscape Forms Total				\$2,331.54	
Wenger Corporation (BuyBoard)					
1	2	UltraStor Cabinet #45,Assembled	\$ 863.00	\$ 1,726.00	Music Program - William Buhidar
	1	Installation	\$ 500.00	\$ 500.00	Storage cabinet is needed to store and protect
	1	Freight/Handling	\$ 941.00	\$ 941.00	instruments and equipment at the Music Program
Wenger Corporation Total				\$ 3,167.00	
Furniture Total				\$ 111,056.71	

SOUTH TEXAS COLLEGE
7. NETWORK CABLING SERVICES

NAME			Telepro Communications	
ADDRESS			12005 N Bryan Rd	
CITY/STATE/ZIP			Mission, TX 78573	
PHONE			956-618-2360	
FAX			956-686-0422	
CONTACT			Jesse Rodriguez	
#	Qty	Description	Unit Price	Extension
1	1	Network Cabling Services for the Regional Center for Public Safety Excellence Portables	\$51,093.00	\$51,093.00
TOTAL AMOUNT			\$	51,093.00

SOUTH TEXAS COLLEGE
8. VEHICLE FUEL PROGRAM

NAME			U. S. Bank / Voyager Fleet Systems	
ADDRESS			P O Box 412535	
CITY/STATE/ZIP			Kansas City, MO 64141	
PHONE			800-987-6591	
CONTACT			Pam Pradhan	
#	Qty	Description	Unit Price	Extension
1	1	Vehicle Fuel Program Period: 1/1/20 - 12/31/20	\$ 130,000.00	\$ 130,000.00
TOTAL AMOUNT			\$	130,000.00

SOUTH TEXAS COLLEGE
9. DISTRICT WIDE TECHNOLOGY REQUEST
NOVEMBER 26, 2019

COMPUTERS					
#	Qty	Description	Unit Price	Extension	Requesting Department
1	1	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$705.00	\$ 705.00	Political Science Program - Robert Ballinger
		Intel Integrated Graphics, 20" Monitor, Warranty			New system for new dept faculty
2	3	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$720.00	\$ 2,160.00	Biology Program - Maria Cervantes
		Intel Integrated Graphics, 22" Monitors, Warranty			New systems for dept faculty
3	23	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$705.00	\$ 16,215.00	Construction Accounts Unexpended - Dr. Shirley A. Reed
		Intel Integrated Graphics, 20" Monitor, Warranty			New systems for library at RCPSE portable for students
4	20	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$705.00	\$ 14,100.00	Construction Accounts Unexpended - Dr. Shirley A. Reed
		Intel Integrated Graphics, 20" Monitor, Warranty			New systems for RCPSE faculty office portable for faculty
		COMPUTER TOTAL		\$ 33,180.00	
LAPTOPS					
#	Qty	Description	Unit Price	Extension	Requesting Department
5	3	Laptop Latitude 5400 CTO Base, Intel Core i5-8265U, 256GB Hard Drive	\$813.10	\$ 2,439.30	Biology Program - Maria Cervantes
		Battery, 8GB Memory, Intel UHD 620 Graphics, Warranty			New systems for dept faculty
6	7	Laptop Latitude 5400 CTO Base, Intel Core i5-8265U, 256GB Hard Drive	\$813.10	\$ 5,691.70	Biology Program - Maria Cervantes
		Battery, 8GB Memory, Intel UHD 620 Graphics, Warranty			New systems for student lab
7	2	Laptop Latitude 5400 CTO Base, Intel Core i5-8265U, 256GB Hard Drive	\$813.10	\$ 1,626.20	Chemistry Program - Ravindra Nandigam
		Battery, 8GB Memory, Intel UHD 620 Graphics, Warranty			Replacement of non-working systems for faculty
8	12	Precision Laptop 5540 CTO Base, Intel Core i7-9850H, 256GB Hard Drive	\$ 1,600.00	\$ 19,200.00	Physical Science Program - Ravindra Nandigam
		Battery, 16GB Memory, Intel Dual Band Wireless, Warranty			New systems for student lab
		LAPTOP TOTAL		\$ 28,957.20	
TABLETS					
#	Qty	Description	Unit Price	Extension	Requesting Department
9	19	Apple 27-inch iMac with Retina 5k Display, 5.0 GHz, 9th generation,	\$2,602.00	\$ 49,438.00	Technology Support - Lucio Gonzalez
		16GB Memory, Mouse, Keyboard, Apple Care Warranty			Replacement of non-working systems for student labs
		TABLET TOTAL		\$ 49,438.00	
		COMPUTER/LAPTOP/TABLET TOTAL		\$ 111,575.20	

**SOUTH TEXAS COLLEGE
10. NETWORK SWITCHES**

NAME			Insight Public Sector	
ADDRESS			6820 S Harl Ave	
CITY/STATE/ZIP			Tempe, AZ 85283	
LOCAL ADDRESS			2712 N McColl Rd McAllen, TX	
PHONE			956-465-8080	
CONTACT			Darak Weaver	
#	Qty	Description	Unit Price	Extension
1	18	Catalyst 9200 48-port PoE+ Network Essentials	\$ 2,717.40	\$ 48,913.20
2	18	SNTC-8x5xNBD Catalyst 9200 48-port PoE+ Network Essentials	\$ 326.20	\$ 5,871.60
3	18	North American AC Type A Power Cable	\$ -	\$ -
4	18	Configuration 5 Power Supply Blank	\$ -	\$ -
5	18	C9200 Cisco DNA Essentials, 48-Port Term Licenses	\$ -	\$ -
6	18	C9200 Cisco DNA Essentials, 48-Port 3-Year Term License	\$ 470.40	\$ 8,467.20
7	18	Cisco Catalyst 9200 Stack Module	\$ 551.25	\$ 9,922.50
8	18	1M Type 4 Stacking Cable	\$ 84.00	\$ 1,512.00
9	18	No Network Module Selected	\$ -	\$ -
10	18	C9200 Network Essentials, 48-Port License	\$ -	\$ -
11	18	Network Plug-n-Play License for zero-touch device deployment	\$ -	\$ -
12	36	Catalyst 9200 Stack Module	\$ -	\$ -
13	6	Catalyst 9200 4 x 10G Network Module	\$ 840.00	\$ 5,040.00
14	1	Catalyst 9500 16-port 10Gig Switch Advantage	\$ 6,944.70	\$ 6,944.70
15	1	SNTC-8x5xNBD Catalyst 9500 16-port	\$ 834.73	\$ 834.73
16	1	C9500 Network Stack, Advantage	\$ -	\$ -
17	1	Cisco Catalyst 9500 XE 16.12 Universal	\$ -	\$ -
18	1	950W AC Configuration 4 Power Supply front to back cooling	\$ -	\$ -
19	1	950W AC Configuration 4 Power Supply front to back cooling	\$ 882.00	\$ 882.00
20	2	North American AC Type A Power Cable	\$ -	\$ -
21	1	Catalyst 9500 Network Module Blank Cover	\$ -	\$ -
22	1	C9500 DNA Advantage Term Licenses	\$ -	\$ -
23	1	Cisco Catalyst 9500 DNA Advantage 3-Year License	\$ 2,982.00	\$ 2,982.00
24	1	Network Plug-n-Play License for zero-touch device deployment	\$ -	\$ -
TOTAL AMOUNT			\$	91,369.93

**SOUTH TEXAS COLLEGE
11. GRADUATION FACILITY**

NAME			City of Hidalgo/ dba Payne Arena	
ADDRESS			2600 N 10th St (Hwy 336)	
CITY/STATE/ZIP			Hidalgo, TX 78557	
PHONE			956-467-8367	
CONTACT			Gloria Tovar	
#	Qty	Description	Unit Price	Extension
1	1	Graduation Facility Lease Agreement Period: 5/14/20 - 5/17/20	\$ 38,500.00	\$ 38,500.00
TOTAL AMOUNT			\$	38,500.00

Second Reading and Recommendation to Revise Policy #1520: Orientation and Training of Trustees

Approval to revise Policy #1520: *Orientation and Training* will be requested at the November 26, 2019 Board meeting.

Purpose – The proposed policy revisions update the current policy, which was adopted by the Board in 1995.

Justification – Due to significant changes in state law and the practices at South Texas College, administration recommends wholly deleting the text of Policy #1520 and replacing it with new text, as follows.

- The revised policy would outline the information to be presented to any person considering to apply for a place on the ballot or to apply for consideration for appointment to the Board of Trustees.
- The revised policy would further outline the training requirements established by Texas law.
- Finally, the revised policy would require administration to provide trustees with ongoing notification of conferences and other opportunities to network with and learn from fellow trustees across the state and nation.

Background – South Texas College adopted Policy #1520: *Orientation and Training* on July 27, 1995. The policy has not been revised since its initial adoption.

Reviewers – The revised policy has been reviewed by staff and was also presented at the October 29, 2019 Board Meeting for first reading and for feedback.

Enclosed Documents - The proposed new policy and the deleted policy follow in the packet for the Committee's review and information.

The Board is asked to review and provide feedback on this second reading of the proposed policy. Any feedback would be incorporated into a final proposal for the Board's consideration in November 2019.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to revise Policy #1520: *Orientation and Training* as presented and which supersedes any previously adopted Board policy.

MANUAL OF POLICY

Title	Orientation and Training of Trustees	1520
Legal Authority	Approval of the Board of Trustees	Page 1 of 1
Date Approved by Board	Board Minute Order Dated July 27, 1995 As Amended by Board Minute Order Dated November 26, 2019	

I. Purpose

The purpose of the policy is to provide the process for the orientation and training of trustees serving on the South Texas College Board of Trustees.

II. Policy

Information for Candidates for Board of Trustees

Application packets for candidates seeking a place on the ballot for election to the South Texas College Board of Trustees, or seeking consideration to be nominated to fill a vacancy on the South Texas College Board of Trustees, shall include guidance on best practices for trustees, roles and responsibilities of trustees, and ethical governance.

These application packets shall also include current South Texas College Policies related to the authority and functions of the Board, goals for trustees, and conflicts of interest.

Training for New Trustees

Upon election or appointment to the Board, College administration will provide all new trustees with information and access to state-mandated training programs for Texas junior college governing board members, including the following:

- Intensive Short Course for Appointed Members of Governing Board (Texas Education Code, Section 61.0841)
- Open Meetings Training (Texas Government Code, Section 551.005)
- Open Records Training (Texas Government Code, Section 552.012)
- Public Funds Investment (Texas Government Code, Section 2256.007)
- Training for Members of Governing Board (Texas Education Code, Section 61.084)

Trustee Education Conferences

College administration will provide trustees with ongoing notification of conferences and other opportunities to network with and learn from fellow trustees across the state and the nation, including but not limited to those coordinated by the Community College Association of Texas Trustees (CCATT) and the Association of Community College Trustees (ACCT).

III. History

Origination Date Approved by Board:
July 27, 1995

Date Amended and Approved by Board:
November 26, 2019

MANUAL OF POLICY

Title	Orientation and Training	1520
Legal Authority	Approval by the Board of Trustees	
Date Approved by Board	Board Minute Order Dated July 27, 1995	

Annual Workshop

An annual workshop will be conducted to address the training needs of Trustees. Topics include, but are not limited to: community college history and philosophy; governance, ethics, legal issues; accreditation; finance; audits; legislative relations; planning (strategic, short-term, and long-range); evaluations (Board, President, institution and educational programs); Board policies and bylaws; Boardsmanship; state and national trends on educational, social, and technological issues; and Texas government operations (executive and legislative branches, the Texas Higher Education Coordinating Board, and other state agencies).

Orientation for New Trustees

The Board and the President shall provide an orientation for new Trustees within the calendar year of their initial election to assist them in understanding the Board's function, policies, and procedures. Assistance given in the orientation of new Trustees may include the following, as appropriate or available:

1. Selected materials on the responsibilities of being a contributing member of the Board.
2. Material pertinent to meetings and an explanation of its use.
3. Invitations to meet with the President and other administrative personnel designated by the President to discuss services the administration performs for the Board.
4. A review of the Board's policies and administrative regulations and other documents and information currently in use by other Trustees.
5. Information regarding appropriate meetings and workshops.
6. A formal orientation on legal and budgetary oversight responsibilities of the Board.
7. Other information and activities as the Board or the President deem useful in fulfilling the role of Trustee.

Second Reading and Recommendation to Revise Policy #1620: Meeting Procedures

Approval to revise Policy #1620: *Meeting Procedures* will be requested at the November 26, 2019 Board meeting.

Purpose – The proposed policy revisions are necessary to update this policy to reflect the current practices relating to the broadcast of live meetings, and public access to an online archive of past meeting broadcasts.

Justification – This policy has been further reviewed by STC General Counsel Jesus Ramirez, who recommends approval as presented.

In addition to clarifying the policy guidelines around procedures for broadcast streams and online archives, Mr. Ramirez identified guidelines that would allow the Board to hold deliberative Work Sessions, separate from the conduct of regular Board business. These guidelines have been made recently available due to the clarification of state law regarding the broadcast and archive requirements.

Background – South Texas College last revised Policy # 1620: *Meeting Procedures* on July 15, 2004.

Reviewers – The revised policy has been reviewed by staff and was also presented at the October 29, 2019 Board Meeting for first reading and for feedback.

Enclosed Documents - The revised policy follows in the packet for the Committee's review and information.

The Board is asked to review and provide feedback on this second reading of the proposed policy. Any feedback would be incorporated into a final proposal for the Board's consideration in November 2019.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to revise Policy #1620: *Meeting Procedures* as presented and which supersedes any previously adopted Board policy.

MANUAL OF POLICY

Title	Meeting Procedures	1620
Legal Authority	Approval of the Board of Trustees	Page 1 of 3
Date Approved by Board	Board Minute Order Dated July 27, 1995 As Amended by Board Minute Order Dated November 19, 1996 As Amended by Board Minute Order Dated July 15, 2004 As Amended by Board Minute Order Dated November 26, 2019	

I. Purpose

The purpose of the policy is to provide the meeting procedures to be used by the Board of Trustees for all Board and Board Committee meetings and work sessions.

II. Policy

Parliamentary Procedures

Unless otherwise provided by law or bylaws or policies of the Board, the Board shall conduct its meeting to the extent practical in accord with Robert's Rules of Order. The failure to strictly follow Robert's Rules of Order shall not act to invalidate any action of the Board for which a quorum was present otherwise held in accordance with the law.

Passing Resolutions or Orders

No action shall be taken by the Board without a motion. No action shall be taken by the Board except by affirmative vote of a majority of a quorum. Each Trustee exercises one vote.

Method of Voting

Votes by all members of the Board may be made orally or by show of hands. Upon request of a Trustee, the vote shall be by show of hands. No vote shall be taken by secret ballot.

Adequate Information to Precede Action

The Board shall take every precaution to assure itself of full and adequate information prior to action. The President shall be given an opportunity to examine and evaluate all information received by the Board from any source and to recommend action before the Board makes any decision.

Public Participation in Regular Board Meetings

Regular Board meetings are held to transact the business of the College and are open to the public except when executive sessions are permitted by law. Members of the public (including employees and students) having concerns relating to the College may request that their concerns be added on the agenda. To be placed on the agenda, application must be made in writing through the President's Office at least seven (7) days prior to the scheduled meeting. In addition, the Board shall designate a portion of its regular monthly meeting to hear comments from individuals who have not requested a place on the agenda. Persons who wish to participate in this portion of the meeting shall sign up prior to the start of the meeting, and indicate the topic about which they wish to speak.

Public participation is limited to those persons who have requested and been placed on the agenda, to those persons who have otherwise been specifically invited by the Board to make comments concerning items on the agenda, and to that portion of the meeting designated for public comments. At all other times during Board meetings, the audience shall not enter into discussions or debate on matters being considered by the Board.

MANUAL OF POLICY

Title	Meeting Procedures	1620
Legal Authority	Approval of the Board of Trustees	Page 2 of 3

No public presentation shall exceed five (5) minutes. Delegations of more than five (5) persons shall appoint one person to present their views to the Board.

Public Comments

The following provisions shall apply in the preparation of Board Agendas and the transaction of official business at **Regular** Board Meetings:

1. Regular meetings of the Board shall be held in public for the conduct of the public business. It is not a public hearing unless so designated by the Board.
2. Groups and individuals may appear before the Board to present their views or to make proposals for consideration by the Board. To be placed on the agenda, application must be made in writing through the President's Office at least 7 days prior to the scheduled meeting.
3. Discussion before the Board shall be limited to five (5) minutes per individual and fifteen (15) minutes per delegation unless waived by a majority of the Board.
4. Time limitations shall not preclude the Board from requesting specific reports from anyone attending the Board meeting and having information desired by the Board pertaining to a specific topic under discussion.

Board's Response to Public Comment

Specific factual information or recitation of existing policy may be furnished in response to public inquiries, but the Board may not deliberate, discuss, or make any decision on any subject not on the agenda.

Recording by Attendee

All or any part of the proceedings in any open meeting may be recorded by any person in attendance by means of a tape recorder, video camera, or any other means of aural or visual reproduction. The disclosure of information regarding executive sessions is limited by law, as described elsewhere herein. The Board may impose reasonable rules to maintain order at the meeting, including rules relating to the location of any recording equipment and the manner in which the recording is conducted. Such rules shall not have the effect of preventing or unreasonably impairing camera coverage or tape recording.

Broadcast Stream and Online Archive – Regular Board Meetings and Public Hearings

In compliance with Texas Government Code Sec. 551.1282, (b)(2), all regularly scheduled meetings of the Board and Board Committees shall be broadcast over the College's website, except for those portions closed to the public as authorized by law.

In compliance with Texas Government Code Sec. 551.1282 (b)(3), these broadcast meetings shall be recorded and made publicly available in an online archive on the College's website.

In compliance with Texas Government Code Sec. 551.128 (b-4)(2), the College shall maintain these recordings in the publicly available online archive for not less than two years after the date the recording was first made available.

MANUAL OF POLICY

Title	Meeting Procedures	1620
Legal Authority	Approval of the Board of Trustees	Page 3 of 3

After removal from the publicly available online archive, these recordings will be maintained in compliance with the College's Records Management Procedures.

Board Work Sessions

Board Work Sessions will be called as needed for special circumstances, and not for the deliberation or action on regular Board business.

- Public Notice of Board Work Sessions will be provided in compliance with Board Policy: 1625: Notice of Meeting: Contents of Notice, and with the Texas Open Meetings Act.
- Board Work Sessions will be held for deliberative purposes only. Board Work Sessions will not include any agenda items that will call for a vote by the Board of Trustees, nor will they include periods of public comment or testimony.
- In compliance with Texas Government Code Sec. 551.128 (b-1)(1)(B)(ii), Board Work Sessions that do not include a vote on any matter or allow public comment or testimony will not be required to be broadcast or audio/video recorded.

Meetings by Conference Call

The Board may hold a meeting by telephone conference call if:

1. The meeting is a special called meeting and immediate action is required; and
2. The convening at one location of a quorum of the governing board is difficult or impossible. A meeting by telephone conference call is subject to the notice requirements applicable to other motions.

III. History

Origination Date Approved by Board:
July 27, 1995

Date Amended and Approved by Board:
November 19, 1996
July 15, 2004
November 29, 2019

Second Reading and Recommendation to Delete Policy #4211: Nepotism and Adopt Proposed Policy #1512: Nepotism: Public Officials

Approval to Delete Policy #4211: *Nepotism* and Adopt Proposed Policy #1512: *Nepotism: Public Officials* will be requested at the November 26, 2019 Board meeting.

Purpose – To delete the current policy and create a new policy that will focus on public officials.

Justification – The current policy attempts to cover two separate and legally distinct issues:

1. the employment of relatives within a prohibited degree of relationship to public officials; and
2. the employment of family members in positions at the College such that one family member would supervise, directly or indirectly, another family member.

The Office of Human Resources has proposed deleting Policy 4211: *Nepotism*, and the creation of two new policies to each focus on the relevant issues. They have undertaken this process with the guidance of STC Legal Counsel for personnel issues, Mr. Jose Guerrero.

The Office of Human Resources has proposed new policy #1512: *Nepotism: Public Officials* to address the legal issue of nepotism as it relates to the employment of relatives of trustees or the College President.

This policy has been further reviewed by STC General Counsel Jesus Ramirez, who recommends approval as presented.

Administration has proposed a separate new policy to address the prohibition of employment of individuals into positions with supervisory responsibility over family members.

Background – South Texas College adopted Policy 4211: *Nepotism* on November 9, 1995. The policy has not been revised since its initial adoption.

This Policy was presented at the October 29, 2019 Board Meeting for review and feedback.

Reviewers – The revised policy has been reviewed by staff, the President's Cabinet, Planning and Development Council Staff, President's Administrative Staff, and/or by South Texas College legal counsel, Mr. Jesus Ramirez and Mr. Jose Guerrero, legal counsel for personnel issues.

Enclosed Documents - The proposed new policy and the deleted policy follow in the packet for the Committee's review and information.

The Board is asked to review and provide feedback on this second reading of the proposed policy. Any feedback would be incorporated into a final proposal for the Board's consideration in November 2019.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to Delete Policy #4211: *Nepotism* and Adopt Proposed Policy #1512: *Nepotism: Public Officials* as presented and which supersedes any previously adopted Board policy.

MANUAL OF POLICY

Title	Nepotism: Public Officials	1512
Legal Authority	Approval of the Board of Trustees	Page 1 of 2
Date Approved by Board	Board Minute Order dated October 29, 2019	

I. Purpose

The purpose of this policy is to provide provisions regarding nepotism prohibition of public officials as defined by the consanguinity and affinity relationship.

II. Policy

A. Nepotism Prohibitions Applicable to Public Officials

As public officials, the members of the Board of Trustees and the College President are subject to the nepotism prohibitions of Chapter 573 of the Texas Government Code.

South Texas College shall not employ any person related within the second degree by affinity (marriage) or within the third degree by consanguinity (blood) to any member of the Board or the College President when the salary, fees, or compensation of the employee is paid from public funds or fees of office.

A nepotism prohibition is not applicable to the employment of an individual with the College if:

- 1) the individual is employed in the position immediately before the election or appointment of the public official to whom the individual is related in a prohibited degree; and
- 2) that prior employment of the individual is continuous for at least:
 - a. 30 days, if the public official is appointed;
 - b. six months, if the public official is elected at an election other than the general election for state and county officers; or
 - c. one year, if the public official is elected at the general election for state and county officers.

If an individual whose employment is not subject to the nepotism prohibition continues in a position, the College President or the member of the Board of Trustees to whom the individual is related in a prohibited degree may not participate in any deliberation or voting on the employment, reemployment, change in status, compensation, or dismissal of the individual if that action applies only to the individual and is not taken regarding a bona fide class or category of employees.

MANUAL OF POLICY

Title	Nepotism: Public Officials	1512
Legal Authority	Approval of the Board of Trustees	Page 2 of 2
Date Approved by Board	Board Minute Order dated October 29, 2019	

B. Method of Computing Degree of Consanguinity and Affinity Relationship

The method of computing degrees of relationship is the civil law method, as follows:

CONSANGUINITY (blood relatives)

- 1st degree of consanguinity: parents or children (includes adopted children)
- 2nd degree of consanguinity: brother, sister, grandparents, or grandchildren
- 3rd degree of consanguinity: great grandparents, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual.

There is no distinction between half-blood and full-blood relations. Half-blood relations fall within the same degree as those of full-blood.

AFFINITY (relatives by marriage)

- 1st degree of affinity: spouse, mother-in-law, father-in-law, daughter-in-law, son-in-law, step-children while married to the stepchild's mother;
- 2nd degree of affinity: brother-in-law or sister-in-law (spouse's brother or sister; or brother or sister's spouse), spouse's grandparents, and step-grandchildren.

III. Key Accreditation Agency, Federal, and/or State Statutes

Pertinent Information

Chapter 573 of the Texas Government Code (Chapter 573) which governs Nepotism prohibitions is adapted to this policy. In the event of any conflict between this policy and Texas Government Code Chapter 573, the latter shall govern.

IV. History

Origination Date Approved by Board	October 29, 2019
Date Reviewed and Approved by Board	

MANUAL OF POLICY

Title	Nepotism	4211
Legal Authority	Approval of the Board of Trustees	Page 1 of 2
Date Approved by Board	Board Minute Order dated November 9, 1995	

No member of the Board of Trustees or President shall appoint, or vote for, or confirm the appointment to any office, position, or employment of any person related within the second degree by affinity (marriage) or within the third degree by consanguinity (blood) to the person appointing or voting, or to any other member of the Board when the salary, fees, or compensation of the employee is paid from public funds.

Members of the same family (spouse, siblings, or parents, and children) or immediate household members may be employed by the College except under the following circumstances:

1. When one member of a family would be responsible for institutional decisions involving possible direct benefit (including initial appointment, retention, promotion, salary, leave of absence, etc.) to another member of the same family; or
2. When one member of a family would be responsible for supervising, evaluating, or auditing the work of another member of the same family.

In those instances in which one member of a family is excluded from employment by the College pursuant to this policy, the family members shall have the right to decide which member will continue in employment with the College. If, however, the family members fail to make the necessary decision within a reasonable time, the College shall use a neutral standard to determine which family member will continue in employment with the College.

When circumstances or relationships conflict or threaten the best interests of the College, the President may make transfers and/or reassignments as needed.

Pertinent Information

Article 5996a., V.A.C.S., prohibits the appointment or employment of an individual related to the appointing officer within the second degree by marriage (affinity) or within the third degree by blood (consanguinity).

The method of computing degrees of relationship is the civil law method. Two persons are related to each other by consanguinity if one is a descendant of the other or if they share the same ancestor. An adopted child is treated as a natural child of the adoptive parent where applicable. The degree of relationship by consanguinity between a person and the person's descendant is determined by the number of generations that separate them. If a person and the person's relative are related by consanguinity, but neither is a descendant from the other, the degree of relationship is determined by adding the number of generations between the person and the nearest common ancestor of the person and the person's relative, and the number of generations between the relative and the nearest common ancestor.

MANUAL OF POLICY

Title	Nepotism	4211
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Two persons are related to each other by affinity if they are married to each other or the spouse of one of the persons is related by consanguinity to the other person. Termination of a marriage by divorce or the death of a spouse terminates relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is treated as continuing to exist as long as a child of that marriage lives.

A husband and wife are related to each other in the first degree by affinity. For other affinity relationships, the degree of relationship is the same as that by consanguinity, i.e., if A and B are related to each other in the second degree by consanguinity, then A's spouse is related to B in the second degree by affinity.

Relatives within the third degree by consanguinity include the person's:

- parent or child (relatives in the first degree);
- brother, sister, grandparent, or grandchild (relatives in the second degree); and
- great-grandparent, great-grandchild, aunt who is a sister of a parent of the person, uncle who is a brother of a parent of the person, nephew or niece who is a child of a brother or sister of the person (relatives in the third degree).

Relatives within the third degree by affinity include:

- anyone related by consanguinity to the person's spouse in one of the ways named under 1, 2, or 3 of that section; and
- the spouse of anyone related to the person by consanguinity in one of the ways named under 1, 2, or 3 of that section.

An exception to the nepotism provision is made if the relative of the officer or institution head, who is related within the second degree by affinity (marriage) or within the third degree by consanguinity (blood), has been continuously employed for 30 days, if the officer/member is appointed as in the case of members of the Board of Trustees.

When a person is allowed to continue in an office or employment because of an exception to the nepotism rules, the appointing official cannot participate in deliberations or voting on the change in status, compensation, or dismissal of that person unless the actions apply to a class or category of employees and not just to the individual.

If, and in the event, this policy is determined to be in conflict with the laws of the State of Texas as defined in Article 5996h, then in that event, the statute shall control. All other terms and provisions of this policy and procedure shall remain in full force and effect as modified by the change in Article 5996h and only that portion in conflict will be deemed inoperative.

Review and Recommend Action to Adopt Proposed Policy #4212: Employment and Supervisory Relationship of Close Relatives

Approval to adopt proposed Policy #4212: *Employment and Supervisory Relationship of Close Relatives* will be requested at the November 26, 2019 Board meeting.

Purpose – To delete the current policy and create a new policy that will focus on the relevant issues on employment of close relatives.

Justification – The current policy attempts to cover two separate issues.

1. the employment of relatives within a prohibited degree of relationship; and
2. the employment of closed relatives in positions at the College such as that one relative would supervise, directly or indirectly, another relative.

The Office of Human Resources has proposed deleting Policy 4211: *Nepotism*, and the creation of two new policies to each focus on the relevant issues. They have undertaken this process with the guidance of STC Legal Counsel for personnel issues, Mr. Jose Guerrero.

The Office of Human Resources has proposed new Policy #4212: *Employment and Supervisory Relationship of Close Relatives* to address the issue of nepotism as it relates to the employment of close relatives.

Administration has proposed a separate new policy to address the employment of relatives within a prohibited degree of relationship to public officials.

Background – South Texas College adopted Policy 4211: *Nepotism* on November 9, 1995. The policy has not been revised since its initial adoption.

Reviewers – The revised policy has been reviewed by staff, the President's Cabinet, Planning and Development Council Staff, President's Administrative Staff, and/or by South Texas College legal counsel, Mr. Jesus Ramirez and Mr. Jose Guerrero, legal counsel for personnel issues.

Enclosed Documents - The proposed new policy follows in the packet for the Committee's review and information.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to adopt proposed Policy #4212: *Employment and Supervisory Relationship of Close Relatives* presented and which supersedes any previously adopted Board policy.

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Title	Employment and Supervisory Relationship of Close Relatives	4212
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I. Purpose

The purpose of this policy is to provide provisions regarding prohibition of certain employment relationships between close relatives.

II. Policy

A. Employment of Close Relatives

Close relatives are persons related to each other within the third degree of consanguinity (blood relatives) or second degree of affinity (relatives by marriage), as computed under the civil law method. Close relatives shall not be employed by the College in the following employment relationships:

1. When one relative would be responsible for directly or indirectly supervising, evaluating, or auditing the work of another relative.
2. When one relative would be directly or indirectly responsible for institutional decisions that could possibly result in a direct employment benefit to the close relative. A direct employment benefit includes, but is not limited to, initial employment or assignment, employee evaluation, salary, course or work assignments, leave of absence, or approval of employee actions.
3. When one relative would have direct or indirect authority over the terms or conditions of employment of another close relative.

B. Disclosure of Close Relatives

1. Initial Hiring

Individuals applying for employment with the College, shall be required to disclose in the application for employment all of the individual's close relatives employed by the College.

2. Employee Reassignment, Transfers:

An employee who is being assigned, reassigned, transferred, or promoted to any position shall be required, prior to being assigned, reassigned, transferred, or promoted to disclose in writing all of the individual's close relatives employed by the College to the Director of Human Resources.

3. Existing Employment Relationships:

Employees who are in an existing employment relationship that is not in violation of this policy but who, subsequently, become close relatives shall notify the Director of Human Resources within three (3) business days of having become close relatives to determine whether or not the employment relationship is in violation of this policy.

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Title	Employment and Supervisory Relationship of Close Relatives	4212
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C. Administration and Enforcement of Policy

The Director of Human Resources shall be primarily responsible for administration and enforcement of this policy.

No person may be employed, and no employee may be transferred, assigned, reassigned, or promoted to a position which would result in an employment relationship that violates this policy.

Any employment relationship which is in violation of this policy shall be terminated. If the violation results from an applicant's or an employee's failure to disclose a close relative relationship, the applicant or employee shall be disqualified from employment or assignment to the position and shall be subject to termination from employment with the College.

Employees who are in an existing employment relationship that is not in violation of this policy but who, subsequently, become close relatives resulting in the employment relationship being in violation of this policy shall be disqualified from continued employment with the College. These employees have option of correcting the violation by one of the employees resigning his or her position within the days stipulated in Policy 4922 Separation of Employment and Re-Employment.

Any employee who exercises authority to recommend or to approve the hiring of an individual or the assignment, reassignment, transfer, or promotion of an employee shall exercise due diligence to ensure that such hiring, assignment, reassignment, transfer or promotion does not result in an employment relationship that violates this policy. Failure to exercise due diligence shall subject the employee to sanctions, including, termination of employment.

The provisions of this Policy shall be cumulative to the provisions of Policy 4216 Harassment, Discrimination, and Sexual Misconduct which prohibits certain employee consensual relationships.

III. Definitions

Close relatives – shall mean persons related to each other within the third degree of consanguinity (blood relatives) or second degree of affinity (relatives by marriage), as computed under the civil law method.

Directly – shall mean if employee A supervises employee B, and employee B supervises employees C, D, and E, then, employee A directly supervises employee B, and employee B directly supervises employees C, D, and E.

Indirectly – shall mean if employee A supervises employee B, and employee B supervises employees C, D, and E, then employee A indirectly supervises employees C, D, and E and any other employee being supervised by the chain of command under Employee B.

Method of Computing Degree of Consanguinity and Affinity Relationship

The method of computing degrees of consanguinity and affinity relationship of individuals is the civil law method, as follows:

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CONSANGUINITY (blood relatives)

1st degree of consanguinity: parents or children (includes adopted children)
2nd degree of consanguinity: brother, sister, grandparents, or grandchildren
3rd degree of consanguinity: great grandparents, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual.

There is no distinction between half-blood and full-blood relations. Half-blood relations fall within the same degree as those of the full blood.

AFFINITY (relatives by marriage)

1st degree of affinity: spouse, mother-in-law, father-in-law, daughter-in-law, son-in-law, step-son, step-daughter, step-mother, and step-father;
2nd degree of affinity: brother-in-law or sister-in-law (spouse's brother or sister; or brother or sister's spouse), spouse's grandparents, step-grandchildren; grandchildren's spouses.

IV. History

Origination Date Approved by Board	November 26, 2019
Date Reviewed and Approved by Board	November 26, 2019

Review and Recommend Action to Revise Policy #4204: Reporting *and Investigation of Suspected or Known Fraud, Abuse, and Other Improprieties*

Approval to revise Policy #4204: *Reporting and Investigation of Suspected or Known Fraud, Abuse, and Other Improprieties* will be requested at the November 26, 2019 Board meeting.

Purpose – The proposed policy revisions are necessary to update the current policy to reflect the current practices.

Justification – The request for the revision to the policy is necessary for the following reasons:

- To specify that the guidelines are maintained in the College’s website.
- To remove the word “committee” and insert “personnel” as this is the current practice.
- To change the title from Reporting Suspected or Known Fraud, Abuse and Other Improprieties to Reporting *and Investigation of Suspected or Known Fraud, Abuse, and Other Improprieties*
- Added non-substantive grammatical corrections.

Background – South Texas College adopted Policy #4204: *Reporting Suspected or Known Fraud, Abuse and Other Improprieties* on October 24, 2005.

Reviewers – The revised policy has been reviewed by staff, the President’s Cabinet, President’s Administrative staff, and by Planning and Development Council (PDC) staff.

Enclosed Documents - The revised policy follows in the packet for the Committee’s review and information.

The additions to the policy are highlighted in yellow and the deletions are designated with a red strikeout.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to revise Policy #4204: *Reporting and Investigation of Suspected or Known Fraud, Abuse, and Other Improprieties* as presented and which supersedes any previously adopted Board policy.

MANUAL OF POLICY

Title	Reporting <i>and Investigation of</i> Suspected or Known Fraud, Abuse, and Other Improprieties	4204
Legal Authority	Approval of the Board of Trustees Date	
Approved by Board	Minute Order dated October 24, 2005 As Amended by Board Minute order dated November 26, 2019	

South Texas College is committed to creating an environment where fraud, abuse, and other improprieties are not tolerated. The College maintains written guidelines for reporting and investigating suspected or known fraud, abuse, and other improprieties. Fraud, abuse, and other improprieties shall be defined as a deliberate act or failure to act with the intention of obtaining an unauthorized benefit, destruction of property, or otherwise fraudulent behavior or the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the College's resources or assets.

These guidelines *are maintained on the College's website and* apply to all College employees. The guidelines establish the procedures and responsibilities for reporting and investigating potential incidents, taking remedial actions, and reporting evidence to the appropriate authorities. The guidelines require that employees act in good faith when reporting incidents.

Reports of incidents of fraud, abuse, and other improprieties and investigations thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

The President or designee has the authority and responsibility, with participation of the appropriate *personnel* ~~committee~~, to develop, and administer the guidelines.

~~Strikethrough denotes deletion~~
Italics denote addition

Review and Recommend Action to Revise Policy #6225: Safety

Approval to revise Policy #6225: *Safety* will be requested at the November 26, 2019 Board meeting.

Purpose – The proposed policy revisions are necessary to update the current policy to reflect the College's current operations, procedures, and plans in connection to environmental, health, and safety.

Justification – The request for the revision to the policy is necessary for the following reasons:

- To align the current operations of the college as it relates to environmental, health, and safety procedures and plans.
- To include state statute, Texas Education Code Sec. 37.108.
- To designate the Vice President of Finance and Administrative Services as the individual accountable for delegating environmental, health, and safety procedures and plans.

Background – South Texas College adopted Policy #6225: *Safety* on November 9, 1995. The policy has not been revised since its initial adoption.

Reviewers – The revised policy has been reviewed by staff, the President's Cabinet, President's Administrative staff, Planning and Development Council (PDC) staff, and/or by South Texas College legal counsel, Mr. Jesus Ramirez.

Enclosed Documents - The revised policy follows in the packet for the Committee's review and information.

The additions to the policy are highlighted in yellow and the deletions are designated with a red strikeout.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to revise Policy #6225: *Safety* as presented and which supersedes any previously adopted Board policy.

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Title Safety 6225
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Date Approved By Board Board Minute Order Dated November 9, 1995
As Amended by Board Minute Order dated November 26, 2019

South Texas College endeavors to provide and maintain safe and healthful working conditions, and to follow operating practices which provide safe working conditions and efficient operation.

I. Purpose

The purpose of the Safety policy is to provide provisions regarding South Texas College’s commitment for a safe and healthy environment for all students, employees, and visitors.

II. Policy

South Texas College endeavors to provide and maintain a safe and supportive learning and working environment and is committed to protecting the health and safety of its students, employees, and visitors as well as the environment.

The College maintains environmental, health, and safety procedures and plans focusing on the following areas, including, but not limited to, workplace safety, campus security, emergency preparedness, and fire safety. The procedures and plans shall meet or exceed applicable laws, standards, and best practices. Plans and procedures are maintained on the College’s website and by individual departmental units.

The administration and dissemination of environmental, health, and safety procedures and plans are delegated to the Vice President of Finance and Administrative Services.

Employees, students, and visitors shall cooperate fully with all aspects of the environmental, health, and safety policies, procedures, and plans.

The College conducts a safety and security audit of the College’s facilities, pursuant to Texas Education Code, Sec. 37.108, at least once every three years. The College shall follow safety and security audit procedures developed by the Texas School Safety Center. The results of the safety and security audit shall be reported to the College’s Board of Trustees and to the Texas School Safety Center.

III. Definitions

Not Applicable

IV. History

Table with 2 columns: Action, Date. Row 1: Origination Date Approved by Board, March 27, 2018. Row 2: Date Reviewed and Approved by Board, March 27, 2018, April 23, 2019.

Accident prevention and efficient production go hand in hand. All levels of management have a primary

Strikethrough denotes deletion
Italics denotes addition

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~~responsibility for the safety and well being of all employees. This responsibility can be met only by working continuously to promote safe work practices among all employees and to maintain property and equipment in safe operating condition.~~

~~Safety is primarily an operating function, and the Director of Facilities is the key person in this safety program because the Director is directly responsible for facilities management. Likewise, no foreman, supervisor, or individual employee may ever be relieved of appropriate responsibility for safety.~~

~~Safe practices on the part of all employees must be part of all operations. No job shall be considered efficiently completed unless the worker has followed every precaution and safety rule to protect the worker, fellow workers, and the public.~~

Review and Recommend Action to Revise Policy #6313: Vehicle and Body Cameras

Approval to revise Policy #6313: *Vehicle and Body Cameras* will be requested at the November 26, 2019 Board meeting.

Purpose – The proposed policy revisions update the current policy to comply with House Bill 4236.

Justification – The request for the revisions to the policy is necessary for the following reasons:

- To comply with House Bill 4236 (Regular Session of the 86th Texas Legislature), where an addition was added to Occupation Code, Chapter 1701.660 that deals with Recordings of Evidence.
- Added non-substantive grammatical corrections and the order of policy content was corrected/changed.

Background – South Texas College adopted Policy #6313: *Vehicle and Body Cameras* on April 26, 2016.

Reviewers – The revised policy has been reviewed by staff, the President's Cabinet, President's Administrative staff, Planning and Development Council (PDC) staff, and/or by South Texas College legal counsel, Mr. Jesus Ramirez.

Enclosed Documents - The revised policy follows in the packet for the Committee's review and information.

The additions to the policy are highlighted in yellow and the deletions are designated with a red strikeout.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to revise Policy #6313: *Vehicle and Body Cameras* as presented and which supersedes any previously adopted Board policy.

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Title	Vehicle and Body Cameras	6313
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Date Approved by Board	Board Minute Order Dated April 26, 2016 <i>As Amended by Board Minute Order dated November 26, 2019</i>	

South Texas College ~~s~~ complies with the Texas Occupations Code, Title 10, Chapter 1701, Subchapter N (*the "Code"*). The ~~is~~ Code requires that a law enforcement agency that operates a body worn camera program adopt a policy for the use of body worn cameras. The Texas Commission on Law Enforcement (TCOLE) in consultation with the Texas Department of Public Safety, the Bill Blackwood Law Enforcement Management Institute of Texas, the W.W. Caruth Jr. Police Institute at Dallas, and the Texas Police Chiefs Association has developed a training curriculum for the use of body cameras pursuant to the Texas Occupation Code. South Texas College Police Officers are trained using this curriculum.

I. Purpose

South Texas College is committed to providing a safe and secure educational environment for students, faculty, staff, and visitors. The College ~~s~~ Department of Public Safety patrols campuses, responds to incidents, rejoins calls for service and enforces Texas ~~state~~ law. During these activities, the Department *of Public Safety* uses vehicle and body worn cameras for the following purposes:

1. *Documenting* ~~The documentation of~~ police officer interaction with the public, including arrests and critical incidents, enhancing the accuracy of officer reports and testimony in court ~~and~~.
2. *Facilitating* ~~on of the review~~ *determination* of probable cause, evidence *gathering* for investigative and prosecutorial purposes, and ~~the gathering of information for~~ officer evaluation and training.

II. Policy

~~It is the policy of~~ South Texas College ~~that employed~~ police officers shall, *in the performance of their official duties*, use vehicle and body worn cameras ~~when as~~ appropriate *as required by* ~~in the proper performance of official duties and where the recordings are consistent with~~ this policy and Texas Occupations Code, Chapter 1701, Subchapter N. This policy does not govern the use of surreptitious recording devices used in undercover operations.

III. Requirements of the Texas Occupation Code

1. Activation and Discontinuance of Recordings
 - A. Activation - All enforcement encounters where there is at least reasonable suspicion the person has committed, is committing, or may be involved in criminal activity including:
 - (1) Detentions
 - (2) Vehicle stops
 - (3) Pedestrian stops
 - (4) Consensual encounters
 - a. Taking or attempting to take a person into custody
 - b. Any incident involving use of force
 - c. Service of search or arrest warrants

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- d. Suspect statements
- e. Witness/Victim statements
- f. Pursuits
- g. Response to complaints or calls for service
- h. When non-enforcement contacts with the public become confrontational, assaultive, or enforcement-oriented.
- i. When the officer feels the use is appropriate and beneficial in documenting an incident.
- ~~j. There may be instances where it is neither practical nor possible for the officer to activate the recording device. The safety of the officer and of the public is the foremost priority and the recording should not be made if it is an impediment of safety. An officer should not activate or deactivate the recording device based solely upon the request or demand of a citizen; but rather rely on training, experience, and policy to determine the necessity of activation.~~

B. Discontinuance of Recordings

- (1) Cameras ~~shall~~ **will** not be deactivated until an encounter has concluded, except for tactical or safety reasons, or if the encounter no longer holds investigative or evidentiary value.
- (2) If deactivated prior to conclusion of encounter, the reasons ~~therefore shall~~ **will** be documented ~~/recorded/stated on the camera and prior~~ **PRIOR** to deactivation, ~~and on camera as well as~~ in the **written** report.
- (3) Reactivation may be necessary depending on circumstances.

C. Exercise of Reasonable Discretion

This policy acknowledges that there may be occasions when it is neither practical or possible for the officer to activate the recording device.

The safety of the officer and of the public is the foremost priority and the recording should not be made if it is an impediment of safety. An officer should not activate or deactivate the recording device based solely upon the request or demand of a citizen; but rather rely on TCOLE certified training, experience, and policy to determine the necessity of activation.

2. Data Retention

- A. Files ~~shall~~ **will** be securely stored in accordance with Texas record retention laws shown below and no longer than useful for purposes of training or for use in an investigation or prosecution.
 - (1) Class C Misdemeanors – 6 months

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- (2) Class A and B Misdemeanors – 2 years
- (3) Second and Third Degree Felonies – 10 years
- (4) First Degree and Capital Felonies – 50 years
- (5) Driving While Intoxicated Offences – 10 years
- (6) Any Classification Offense – Date of Death
- (7) Video recordings will be maintained for a minimum of 90 days

3. Storage of Recordings

- A. All recordings shall be securely downloaded no later than the end of each shift. Each file shall contain information identifying the date, vehicle, and body worn camera number, and the assigned officer.
- B. All images and sounds recorded by the vehicle and body worn cameras are the exclusive property of the South Texas College Department of Public Safety. Accessing, copying, or releasing files for non-law enforcement purposes is strictly prohibited.
- C. Access to vehicle and body worn camera data (images, sounds, and metadata) must be specifically authorized by the *College* Chief *of Police*. Such access will be audited to ensure that only authorized users are viewing the data for legitimate and approved purposes.
- D. Weekly backups of the server will be conducted and stored offsite for safekeeping.
- E. Only authorized personnel will have access to the *recorded* data.

4. *Recording of Evidence*

- A. *Recordings as evidence shall comply with Occupation Code, Chapter 1701.660, Recordings as Evidence.*

5. Public Access

- A. A member of the public requesting information concerning a camera recording is required to provide the following information in writing:
 - (1) Date and approximate time of recording.
 - (2) Specific location where the recording occurred.
 - (3) The name of one or more persons known to be a subject of the recording.
- B. Pursuant to Article 2.139 of the Texas Code of Criminal Procedure, pertaining to video recordings of arrests for intoxication offenses, a person stopped or arrested on suspicion of an offense under Section 49.04, 49.045, 49.07, or 49.08, Penal Code, is entitled to receive from a law enforcement agency employing the peace officer who made the stop or arrest, a copy of any video made by or at the direction of the officer that contains footage of:

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- (1) The stop
 - (2) The arrest
 - (3) The conduct of the person stopped during any interaction with the officer
 - (4) The procedure in which a specimen of the person's breath or blood is taken
- C. A law enforcement recording made in a private space or involving the investigation of conduct that constitutes a misdemeanor punishable by fine only and does not result in an arrest will not be released without written authorization from the person who is the subject of that portion of the recording, or if the person is deceased, from the person's authorized representative.
- D. A recording is confidential and excepted from requirements of *Chapter 552 Public Information, Government Code, if the recording:*
- (1) It was not required to be made by law or under a policy adopted by South Texas College, *and*
 - (2) Does not relate to a law enforcement purpose
- E. A response to a written request for camera recordings shall be made within 20 business days after the date of the receipt of the written request.
- F. Response to Voluminous Requests for Camera Recordings.
- (1) A voluminous request is defined as follows:
 - a. A request involving more than *five (5)* separate incidents, ~~or~~
 - b. More than *five (5)* separate requests from the same person in a 24-hour period, regardless of the number of incidents included in each request, ~~or~~
 - c. Multiple requests from the same person within a 24-hour period, that if taken together, constitute more than *five (5)* total hours of video footage.
 - (2) Actions needed to respond to a voluminous request for video recordings must be undertaken within 21 business days after the date of receipt of the written request.
- G. The South Texas College Department of Public Safety may release a recorded video to the public to further a law enforcement purpose.
- H. The South Texas College Department of Public Safety may withhold a recorded video from the public that is related to a closed criminal investigation that did not result in a criminal conviction or a grant of deferred adjudication community supervision.
- I. A request for a decision by the Attorney General concerning exceptions to public disclosure must be made by the South Texas College Department of Public Safety not later than the 20th business day after the date that a written request for disclosure was received.

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6. Police Officer Access

- A. A police officer will be provided access to any recording of an incident involving the officer before the officer is required to make a statement about the incident.

7. Supervisory Responsibilities

- A. Supervisory personnel shall ensure that officers are using vehicle and body worn cameras in accordance with policy and procedures defined herein.
- B. On a monthly basis, supervisors will randomly review vehicle and body worn camera recordings to ensure that the equipment is operating properly and that officers are using the devices appropriately and in accordance with policy and to identify any areas in which additional training or guidance is required.

8. Handling and Documenting of Equipment

- A. Vehicle and body worn cameras will be used with reasonable care to ensure proper functioning. Equipment malfunctions shall be brought to the attention of the officer's supervisor as soon as possible, so that a replacement unit may be procured.
- B. Officers shall inspect and test vehicle and body worn cameras prior to each shift in order to verify proper functioning and shall notify their supervisor of any problems.
- C. Malfunctions of equipment will be documented in the ARMS database.

The requirements of the Texas Occupation Code are incorporated in the Department of Public Safety Procedures Handbook.

IV. History

Origination Date Approved by Board	April 26, 2016
Date Reviewed and Approved by Board	November 26, 2019

Review and Recommend Action to Revise Policy #4904: Employee Complaint Procedure

Approval to revise Policy #4904: *Employee Complaint Procedure* will be requested at the November 26, 2019 Board meeting.

Purpose – The proposed policy revisions update the current policy, which was last revised by the Board in 2016.

Justification – The request for the revision to the policy is necessary for the following reasons:

- To remove the language regarding that the absence of a written notice within the prescribed time period would be a denial of the employee's grievance.
- Increase the number of days a written notice to the employee is required from 10 to 20 working days.
- To clarify when in Level Two a complaint may be presented to the Vice President and to the President.

Background – South Texas College created Policy #4904: *Employee Complaint Procedure* on November 22, 2016.

Reviewers – The revised policy has been reviewed by staff, the President's Cabinet, President's Administrative staff, and by Planning and Development Council (PDC) staff. A preliminary review was completed by South Texas College legal counsel for personnel issues, Mr. Jose Guerrero, and a final review is still pending.

Enclosed Documents - The revised policy follows in the packet for the Committee's review and information.

The additions to the policy are highlighted in yellow and the deletions are designated with a red strikeout.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the November 26, 2019 Board meeting, to revise Policy #4904: *Employee Complaint Procedure* as presented and which supersedes any previously adopted Board policy.

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Title	Employee Complaint Procedure	4904
Legal Authority	Approval of the Board of Trustees	Page 1 of 5
Date Approved by Board	Board Minute Order dated November 22, 2016 As Amended by Board Minute Order dated November 26, 2019	

I. Purpose

College employees have the right to present grievances concerning their wages, hours of employment, or conditions of work, either individually or through a representative that does not claim the right to strike. An employee having a grievance regarding his/her wages, hours of employment, or conditions of work may seek redress of such grievance by filing a complaint in accordance with this policy.

An employee may file a complaint after a disciplinary action, other than termination, becomes final, or from placing a written response in his/her personnel file to any disciplinary action.

II. Policy

Employees have the option of selecting from the following three complaint processes: informal complaint process, formal complaint process, and other complaint processes.

~~In this policy, the terms “complaint” and “grievance” shall have the same meaning. A complaint or grievance is defined as an unresolved issue concerning the application of College policy, practice, or regulation.~~

OTHER COMPLAINT PROCESSES

~~This policy will be followed except where the employee believes there has been discrimination, harassment, retaliation, a sexual harassment or other harassment or illegal activity by a co-worker or supervisor or prohibited conduct as defined in Policy 4216 Harassment, Discrimination, and Sexual Misconduct; Policy 4204 Reporting Suspected or Known Fraud, 4204 Abuse and Other Improprieties, Policy 4205 Equal Education and Employment Opportunities or Policy 4209 The Whistleblower Act. In accordance with Policy 4216 Harassment, Discrimination, and Sexual Misconduct, if the employee’s immediate supervisor is the source of the complaint, the employee may present the initial complaint to the next level administrator with supervisory authority over the employee. Every College employee, except for licensed Counselors, must promptly report incidents of prohibited conduct that come to their attention to either the Office of Human Resources, the Title IX Coordinator, Deputy Title IX Coordinator, or to the South Texas College Police Department.~~

~~The process described in this policy shall not be construed to create new or additional rights beyond those granted by law or Board policy, nor is it intended to create constitutional due process rights or to require a full evidentiary hearing or “mini trial” at any level.~~

~~Complaints arising out of an event or a series of related events that occurred prior to the filing of the complaint shall be addressed in one complaint. Employees shall not bring separate or serial complaints arising from any event or series of events that have been or could have been addressed in a previous complaint.~~

~~No employee shall be penalized, disciplined or prejudiced for exercising the right to file and pursue a complaint under this policy.~~

Strikethrough denotes deletion

Italics denotes addition

MANUAL OF POLICY

Title	Employee Complaint Procedure	4904
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INFORMAL COMPLAINT PROCESS

Employees are encouraged to seek resolution of their employment-related grievances as soon as possible, at the lowest administrative level, by discussing their concerns or complaints through informal conferences *as follows:* ~~with their supervisor or other supervisor within the chain of command.~~

1. *Speak with the individual.*
2. *Speak with the supervisor or other supervisor within the chain of command.*
3. *Mediation*

FORMAL COMPLAINT PROCESS

If an employee's complaint is not resolved through an informal conference, the employee may initiate the formal complaint process, as provided by this policy.

The steps to the procedure are as follows:

LEVEL ONE

1. An employee or the employee's representative shall present the complaint, in writing, to the employee's own immediate supervisor within 20 working days from the date the employee becomes aware or should have been aware of the action which is the subject of the complaint. A written complaint must provide:
 1. A clear explanation of the employee's specific concern;
 2. A description of how the employee's employment has been affected.
 3. A description of the relief the employee is seeking.
2. The employee's immediate supervisor shall review the complaint and in consultation with the Director of Human Resources or Employee Relations ~~o~~ Officer, and any other administrator who has supervisory authority over the employee, including the respective division Vice-President.
3. The employee's immediate supervisor will meet with the employee to discuss the complaint and the remedy requested, not later than 20 working days from date the complaint is filed. Any other administrator who has supervisory authority over the employee, including the appropriate Vice-President, may attend this meeting with the employee. *If the complaint is not resolved to the employee's satisfaction at the immediate supervisor level, the employee may present the complaint to the next level supervisor in chain of command up to respective division Vice-President.*
4. The employee's immediate supervisor, *or next level supervisor within the chain of command, up to but not including the Vice President,* will provide written notice to the employee, within ~~10~~ 20 working days after the meeting, *of status of continuing review of complaint,* whether the remedy being requested by the employee is being granted or denied, or offer an alternative resolution. ~~If the employee does not receive the written notice within the prescribed time period, it shall be~~

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~~deemed a denial of the employee's grievance.~~

LEVEL TWO

Vice-President

1. *If the complaint is not resolved to the employee's satisfaction at Level One, the employee may present the complaint to the respective division Vice-President. The complaint must be submitted to the Vice-President not later than 10 working days from the date of the decision at Level One. The employee shall provide a clear and concise statement detailing the reason(s) why the Level One decision was not acceptable to the employee.*
2. *The Vice-President may consult with the Director of Human Resources or Employee Relations Officer and shall not later than 20 working days following receipt of the complaint, issue a written decision, which shall be mailed to the employee. The decision of the Vice-President may grant or deny the remedy being requested by the employee, or offer an alternative resolution. The employee complaint decision of the Vice-President is final and not appealable under this policy.*

President

1. *If the complaint is not resolved to the employee's satisfaction at Level One and the respective department does not have a Vice-President, the employee may present the complaint to the President. The complaint shall be submitted to the President not later than 10 working days from the date of the decision at Level One. The employee shall provide a clear and concise statement detailing the reason(s) why the Level One decision was not acceptable to the employee.*
2. *The President may consult with the Director of Human Resources or Employee Relations Officer and shall not later than 20 working days following receipt of the complaint, issue a written decision, which shall be mailed to the employee. The decision of the President may grant or deny the remedy being requested by the employee, or offer an alternative resolution. The employee complaint decision of the President is final and not appealable under this policy.*
- ~~3. If the complaint is not resolved to the employee's satisfaction at Level One, the employee may present the complaint to the respective division Vice-President except that a complaint concerning the proposed termination of an at-will employee may be presented to the President, if the employee has alleged unlawful retaliation, harassment, or discrimination in the complaint. The complaint must be submitted to the Vice-President or the President, as the case may be, not later than 10 working days from the date of the decision at Level One. The employee shall provide a clear and concise statement detailing the reason(s) why the Level One decision was not acceptable to the employee.~~
- ~~4. The Vice President, or President, as the case may be, may consult with the Director of Human Resources or Employee Relations Officer and may, not later than 20 working days following~~

~~Strikethrough denotes deletion~~
Italics denotes addition

MANUAL OF POLICY

Title	Employee Complaint Procedure	4904
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~~receipt of the complaint, issue a written decision, which shall be mailed to the employee. The decision of the Vice President may grant or deny the remedy being requested by the employee, or offer an alternative resolution. The decision of the Vice President, or President as the case may be, is final and not appealable under this policy.~~

Proposed Termination of an At-Will Employee

A complaint concerning the proposed termination of an at-will employee may be presented to the President, if the employee has alleged unlawful retaliation, harassment, or discrimination in the complaint. The decision of the President is final and not appealable under this policy.

OTHER COMPLAINT PROCESSES

This policy will be followed except where the employee believes there has been discrimination, harassment, retaliation, a sexual harassment or other harassment or illegal activity by a co-worker or supervisor or prohibited conduct as defined in Policy 4216 Harassment, Discrimination, and Sexual Misconduct; Policy 4204 Reporting Suspected or Known Fraud, Abuse and Other Improprieties, Policy 4205 Equal Education and Employment Opportunities or Policy 4209 The Whistleblower Act. In accordance with Policy 4216 Harassment, Discrimination, and Sexual Misconduct, if the employee's immediate supervisor is the source of the complaint, the employee may present the initial complaint to the next level administrator with supervisory authority over the employee. Every College employee, except for Counselors, must promptly report incidents of prohibited conduct that come to their attention to either the Office of Human Resources, the Title IX Coordinator, Deputy Title IX Coordinator, or to the South Texas College Department of Public Safety.

The process described in this policy shall not be construed to create new or additional rights beyond those granted by law or Board policy, nor is it intended to create constitutional due process rights or to require a full evidentiary hearing or "mini-trial" at any level.

Complaints arising out of an event or a series of related events that occurred prior to the filing of the complaint shall be addressed in one complaint. Employees shall not bring separate or serial complaints arising from any event or series of events that have been or could have been addressed in a previous complaint.

Retaliation

The College prohibits retaliation against an employee who files a complaint or grievance under this policy, serves as a witness, or otherwise participates in an investigation.

The provisions of the policy do not extend † into a due process procedure. The policy is an internal procedure designed to provide employees with the opportunity to address complaints.

MANUAL OF POLICY

Title Employee Complaint Procedure 4904
Legal Authority Approval of the Board of Trustees Page 5 of 5
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III. Definitions

In this policy, the terms “complaint” and “grievance” shall have the same meaning. A complaint or grievance is defined as an unresolved issue concerning the application of College policy, practice, or regulation.

IV. History

Origination Date Approved by Board	November 22, 2016
Date Reviewed and Approved by Board	

Review and Recommend Action on Annual Investment Report for FY 2018 – 2019

Approval of the Annual Investment Report for FY 2018 - 2019 will be requested at the November 26, 2019 Board of Trustees meeting.

Purpose – The State Auditor’s Office (SAO) requires that higher education institutions report to the SAO certain investment information prescribed by General Appropriations Act (82nd Legislature), Article III, Rider 5-Investment Reports. The governing board of each of the educational institutions is required to file with the SAO, Comptroller of Public Accounts, Legislative Budget Board, and the Governor an annual report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions. The College’s Policy #5120: Investment Policy and Investment Strategy Statement, requires the independent auditor to review the Investment report at least annually and the result of the review is to be reported to the Board of Trustees.

Justification – The Administration brings the Annual Investment Report to the Board of Trustees annually, as required.

Reviewers – The College’s Investments were reviewed by Carr, Riggs & Ingram, LLC (external auditors).

Enclosed Documents – The Annual Investment Report prepared for the State Auditor’s Office follows in the packet for your information and review.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, will be present at the November 12, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the Committee.

It is requested that the Finance, Audit and Human Resources Committee recommend for Board approval at the November 26, 2019 Board meeting, the Annual Investment Report for FY 2018 – 2019, as presented.

Name of Institution
Annual Investment Report (Including Deposits)

August 31, 2019
Market Value

Investment or Deposit Type

Publicly Traded Equity and Similar Investments	
Common Stock (U.S. and foreign stocks held in separately managed accounts or internally managed by institution investment staff; exclude mutual or commingled funds)	
Equity/Stock Mutual Funds	
Balanced Mutual Funds (where target allocation is > 50% equities)	
"Commonfund" Equity Commingled Funds	
Other Equity Commingled Funds (if primarily invested in publicly traded equities)	
Preferred Stock	
Other - list by type	
Total Publicly Traded Equity and Similar Investments	0.00

"Other" Investments - Other than Publicly Traded Equity and Debt Investments	
Real Estate (include direct ownership & investments in real estate limited partnerships, private REITs, or similar vehicles; include a portfolio of publicly traded REITs if managed as a separate asset allocation category rather than comprising part of a broadly diversified stock portfolio)	
Other Real Asset Investments (e.g. investments in infrastructure funds)	
Private Equity	
Hedge Funds	
"Commonfund" Alternative Asset Commingled Funds (Real Estate, Private Equity, Hedge Funds, Commodities, etc.)	
Annuities	
Commodities	
Collectibles	
Other - Miscellaneous Coins	5,589.70
Total "Other" Investments - Other than Publicly Traded Equity & Debt Investments	5,589.70

Publicly Traded Debt & Similar Investments >1 year maturity	
U.S. Government Securities ("Treasuries")	
U.S. Government Agency Securities ("Agencies")	
Mortgage Pass-Throughs - "Agency"	
Mortgage Pass-Throughs - "Private Label"	
Asset-Backed Securities (ABS) (other than mortgage-backed securities)	
Sovereign Debt (non-U.S.)	
Municipal Obligations	
Collateralized Mortgage Obligations (CMOs) - list below by category	
Interest Only Strips (IOs)	
Principal Only Strips (POs)	
Inverse Floaters	
Stated Final Maturity longer than 10 years	
Other CMOs - "Agency"	
Other CMOs - "Private Label"	
Corporate Obligations (U.S. or foreign companies) - list below by rating	
Highly Rated (AAA/AA or equivalent)	
Other Investment Grade (A/BBB or equivalent)	
High Yield Bonds (<BBB or equivalent)	
Not Rated (NR)	
Fixed Income/Bond Mutual Funds (longer term; registered with the SEC)	
Balanced Mutual Funds (where target allocation is > 50% bonds or other debt securities)	
"Commonfund" Fixed Income/Bond Commingled Funds	
Other Fixed Income/Bond Commingled Funds (primarily invested in publicly traded debt securities; not registered with the SEC)	
GICs (Guaranteed Investment Contracts)	
Other - list by type	
Total Publicly Traded Debt & Similar Investments >1 year	0.00

Name of Institution
Annual Investment Report (Including Deposits)

August 31, 2019
Market Value

Investment or Deposit Type

Investment or Deposit Type	Market Value
Short-Term Investments & Deposits	
U.S. Government Securities ("Treasuries")	
U.S. Government Agency Securities ("Agencies")	
Bankers' Acceptances	
Commercial Paper - A1/P1 (or equivalent)	
Other Commercial Paper - lower rated	
Repurchase Agreements (Repos)	
Money Market Mutual Funds (registered with the SEC)	
Short-Term Mutual Funds Other than Money Market Mutual Funds (registered with the SEC)	
Public Funds Investment Pool Created to Function as a Money Market Mutual Fund (not registered w/ SEC but "2a7-like")	
TexPool (and TexPool Prime)	11,490,159.41
Other Public Funds Investment Pools Functioning as Money Market Mutual Funds	
Other Investment Pools - Short-Term (not created to function as a money market mutual fund)	
Certificates of Deposit (CD) - Nonnegotiable	158,797,306.17
Certificates of Deposit (CD) - Negotiable	
Bank Deposits	86,798,354.71
Cash Held at State Treasury	
Securities Lending Collateral Reinvestments (direct investments or share of pooled collateral)	
Other - Cash on Hand	11,810.00
Total Short-Term Investments & Deposits	<u>257,097,630.29</u>
TOTAL INVESTMENTS and DEPOSITS	<u><u>257,103,219.99</u></u>

Discussion and Action as Necessary on Revisions to Guidelines and Criteria for Granting Tax Abatements and Approval of Resolution 2020-003 for Electing to Participate in Tax Abatement Agreements and Adopting Guidelines and Criteria

Approval of revisions to guidelines and criteria for granting tax abatements and resolution 2020-003 for electing to participate in tax abatement agreements and adopting guidelines and criteria, will be requested at the October 29, 2019 Board meeting.

Purpose – The College’s Guidelines and Criteria for Granting Tax Abatements are effective for a two year period from the adoption date. Approval to renew the Revisions and Criteria for Granting Tax Abatements is needed in order to continue granting tax abatements.

Justification – Property Tax Code Chapter 32 authorizes a taxing unit to enter into a tax abatement agreement in order to offer a temporary real property and/or tangible personal property tax abatement for a limited period of time as an inducement for financial investment in the development or redevelopment of certain taxable property. The property tax code requires that a taxing unit establish guidelines and criteria governing tax abatements agreements and approve a resolution to allow the College to participate in tax abatements.

The revisions to the Guidelines and Criteria for Granting Tax Abatement are as follows:

- Section 3 (d) and Section 5 (d) -- Application Fee. There is a non-refundable application fee of \$2,500.00 due at the time of the application submission. The application fee does not imply that the proposed Abatement will be approved.

Background – The Board of Trustees adopted the guidelines, criteria, and resolution electing to participate in Tax Abatements Agreements on November 28, 2017 for two years, December 2017 through November 2019, and on May 26, 2015 for two years, June 2015 through May 2017.

Reviewers – The College’s staff and Mr. Jesus Ramirez, South Texas College’s Legal Counsel, has reviewed this item, provided the proposed revisions, and will discuss and provide additional information and address questions by the Board as needed.

Enclosed Documents – Resolution 2020-003 Electing to Participating in Tax Abatement Agreements and the Guidelines and Criteria Governing Tax Abatement Agreements follow in the packet for the Board’s information and review.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the November 12, 2019 Board meeting, approve and authorize the revisions to guidelines and criteria for granting tax abatements and resolution 2020-003 for electing to participate in tax abatements agreements and adopting guidelines and criteria, as presented.

Resolution No. 2020-003

**A RESOLUTION OF THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE ELECTING
TO PARTICIPATE IN TAX ABATEMENT AGREEMENTS AND ADOPTING GUIDELINES
AND CRITERIA FOR GRANTING TAX ABATEMENTS**

STATE OF TEXAS §
COUNTY OF STARR §
AND HIDALGO §
SOUTH TEXAS COLLEGE §
DISTRICT

WHEREAS, the Board of Trustees of South Texas College, is authorized to enter into Tax Abatement Agreements for Commercial-Industrial purposes as authorized in Chapter 312 of the Texas Tax Code, "Property Redevelopment and Tax Abatement Act" (The "Act");

WHEREAS, the Act requires South Texas College to establish Guidelines and Criteria for the designation for reinvestment zones and the entering into Tax Abatement Agreements; and

WHEREAS, the Act requires eligible taxing jurisdictions to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any future tax abatements, said Guidelines and Criteria to be unchanged for a two-year period unless amended or repealed by a three-fourths vote of the Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED that South Texas College declares it is eligible to participate in a Tax Abatement Program.

FURTHER, BE IT RESOLVED that South Texas College hereby adopts the attached Guidelines and Criteria for Tax Abatement for use in all Tax Abatement Programs.

CONSIDERED. PASSED, APPROVED, AND SIGNED this _____ day of _____ at a regular meeting of the Board of Trustees of South Texas College at which a quorum was present and which was held in accordance with the provisions of Texas Government Code Chapter 551.

SOUTH TEXAS COLLEGE

BY: _____
Chairman

ATTEST:

BY: _____
Secretary

December 2019 – November 2021

~~2017—2020~~

**Guidelines and Criteria Governing
Tax Abatement Agreements by
South Texas College**

Adopted by Resolution of the Board of Trustees of South Texas College
on November 26 28, 2019 2017

**SOUTH TEXAS COLLEGE
GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT AGREEMENTS**

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**SOUTH TEXAS COLLEGE
GUIDELINES AND CRITERIA
FOR GRANTING TAX ABATEMENT**

WHEREAS, South Texas College finds that tax abatement provides a valuable economic tool for use by the College and other governmental entities interested in supporting and creating jobs in Hidalgo and Starr Counties;

WHEREAS, South Texas College finds that a tax abatement policy is in the public interest and will contribute to the economic development of Hidalgo and Starr Counties;

WHEREAS, South Texas College has considered playing a limited, but significant, role in the development of substantial renewable energy and scientific investment in South Texas;

WHEREAS, Chapter 312 of the Texas Tax Code, popularly known as the Property Redevelopment and Tax Abatement Act (the “Act”), authorizes junior college districts to join a municipality or a county in offering a temporary real property and/or tangible personal property tax abatement for limited periods of time as an inducement for financial investment in the development or redevelopment of certain taxable property; and

WHEREAS, the Act grants South Texas College great discretion to adopt guidelines and criteria identifying the types of development or redevelopment suitable to the educational and financial goals of the College;

WHEREAS, the Act requires eligible taxing jurisdictions to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting any future tax abatements, said guidelines and criteria to be unchanged for a two-year period unless amended or repealed by a three-fourths vote of the Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of South Texas College that the following Guidelines and Criteria for granting tax abatements be adopted:

Section 1. Definitions.

- (a) “Abatement” means the temporary, full or partial exemption from ad valorem maintenance taxes pursuant to the Act by the Counties of Hidalgo and Starr of certain added value to real and personal property in a zone designated for economic development purposes.
- (b) “Act” means Property Tax Code, chapter 312, popularly referred to as the Tax Abatement Act.
- (c) “Added Value” means the increase in the Appraised Value of an Eligible Property as a result of “Expansion” or “Modernization” of an existing facility or construction of a “New Facility.” Added Value does not mean or include “Deferred Maintenance.”

- (d) “Appraised Value” means the appraised value for property tax purposes as determined by a County Appraisal District, subject to the appeal procedures set forth in the Texas Tax Code.
- (e) “Agreement” means a contractual agreement between a property owner and/or lessee in an Eligible Jurisdiction for the purposes of tax abatement. Any Agreement shall be in conformity with these Guidelines and Criteria, including any variance granted under Section 3(g) set out herein. Upon the adoption of a resolution authorizing an Agreement and the execution of same by the parties, the Agreement shall be deemed to embody all of the terms of the Abatement, except, no Agreement shall be deemed to supersede any terms of the Guidelines and Criteria or any requirements or conditions imposed of state law.
- (f) “Base Year Value” means the Appraised Value of Eligible Property as of the date specified in the Agreement.
- (g) “Basic Manufacturing or Service Facility” means buildings and structures, including fixed machinery and equipment used or to be used for the production of renewable energy.
- (h) “College” means South Texas College.
- (i) “Construction Phase” means the period during which a material and substantial improvement of the property occurs which represents a separate and distinct construction operation undertaken for the purpose of erecting the improvements. The Construction Phase ends upon the earliest to occur of the following events:
- (1) when a certificate of occupancy is issued for the Facility by and appropriate governmental entity;
 - (2) when the Facility has achieved commercial production of a product; provision of a service or start up for production of electrical power; or
 - (3) when the architect or engineer supervising construction issues a certificate of substantial completion, or some similar instrument.
- The final determination of the end of the Construction Phase shall be made by the College, in its sole and absolute discretion, based upon the above criteria and such other factors as the College may deem relevant. The determination of the completion of the Construction Phase shall be conclusive, and any judicial review of such determination shall be governed by the substantial evidence rule.
- (j) “County” means Hidalgo County, Texas and/or Starr County, Texas
- (k) “Deferred Maintenance” means improvements necessary for continued operations which do not improve productivity or alter the process technology.

- (l) “Economic Life” means the number of years a property improvement is expected to be in service in a Facility.
- (m) “Eligible Property” means property to which Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility.
- (n) “Expansion” means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.
- (o) “Facility” means property improvements completed or in the process of construction which together compromise an integral whole comprising the project as described in the agreement for temporary tax abatement.
- (p) “Force Majeure” means circumstances beyond the control of Owner which shall include casualty losses, national economic factors, shutdowns due to governmental regulations, strikes, acts of war, and the like.
- (q) “Ineligible Property” The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; Deferred Maintenance investments; property to be rented or leased except as provided in Section 1(k); improvements to real property which have an economic life of less than 20 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; unless specifically authorized by the Eligible Jurisdiction.
- (r) “Modernization” means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of Deferred Maintenance.
- (s) “New Capital Investment” means the total value of expenditures capitalized for the Facility on the Owner’s books, prior to depreciation, whether relating to exempt or non-exempt property, including all buildings, structures, site improvements, fixed equipment, intangibles, and pollution control equipment.
- (t) “New Facility” means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expansion or Modernization.
- (u) “Owner” means the owner of a Facility subject to Abatement. If the Facility is constructed on leased property, the owner shall be the party which owns the property subject to Abatement. The other party to the lease shall join in the execution of

Agreement but shall not be obligated to assure performance of the party receiving Abatement.

- (v) “Research and Development” means Owner’s collaboration of research and development with South Texas College to undertake scientific, technical or educational endeavors of alternative energy programs aimed at research and development.

Section 2. Abatement Authorized.

- (a) Authorized Facilities. A Facility may be eligible for tax incentives in the form of tax abatement if it is substantially designed and constructed or manufactured for construction or installation, (i) is operated exclusively for the production, of renewable energy, including solar, geothermal, wind and hydro and (ii) the estimated proposed New Capital Investment shall exceed \$200 million. Abatement may be granted for New Facilities and improvements to existing facilities for the purpose of Modernization or Expansion.
- (b) Creation of New Value. Abatement may only be granted for the Added Value of Eligible Property improvements made subject to and listed in an Agreement between the College and the property owner or lessee (if required), subject to such limitations as the College may require. The economic life of the improvements must exceed the term of the Agreement by ten (10) years. An Agreement shall not be entered into unless Owner has provided a certified valuation of the economic life of the improvements and depreciation schedule.
- (c) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date specified in the Agreement. Abatement shall be allowed for a period of up to ten years following the certification of completion of construction; provided that, in no event shall the period of Abatement, not inclusive of the Construction Phase exceed ten (10) years. Prior to the effective date of the tax abatement any improvements under construction should be taxed in full in accordance with the Tax Code
- (d) Abatement Percentage. The percentage of the total tax to be abated (1% to 100%) which is authorized by the College on a case by case basis is the Abatement Percentage.
- (e) Rehabilitation Projects. The \$200 million minimum Added Value or Capital Investment requirement for Abatement shall not apply to Rehabilitation Projects which involve the adaptive reuse of an existing structure or building for a Facility. In order to qualify as a Rehabilitation Project under this provision, the Project must involve a minimum New Capital Investment of at least \$100 million. Any Rehabilitation Project must involve the adaptive reuse of an existing structure or building currently on the property tax rolls so that the Base Year Value associated with the Project will include both the value of the land and the existing improvements. For such Rehabilitation Projects, all Eligible Property in excess of the Base Year Value shall be subject to Abatement. The value of personal property such as furniture and movable equipment (as set out in the Act) shall be considered Ineligible Property.

- (f) Estimated Added Value Requirement. At the time of execution of the Agreement, the Owner shall reasonably estimate the Added Value or Capital Investment projected upon completion of construction of any improvements to real property or tangible personal property in connection with the Facility. This “Estimated Added Value” shall be certified to by Owner and stated in the Agreement.
- (g) Economic Qualification. In order to be eligible for Abatement, the Facility:
 - (1) must create no later than the January 1 following the completion of construction and maintain throughout the remainder of the term of the Agreement the minimum required number of permanent jobs in the District set out in the Agreement;
 - (2) must not adversely affect competition in the local market with established local businesses.
- (h) Taxability. From the commencement of the Abatement period to the end of the Abatement period, taxes shall be payable as follows:
 - (1) The value of Ineligible Property shall be fully taxable and;
 - (2) The Added Value of new Eligible Property (and certain personal property added in connection with a Rehabilitation Project) shall be taxable in the manner described in Section 2(d) above.
- (i) Environmental and Worker Safety Qualifications. In determining whether to grant an Abatement, consideration will be given to compliance by the Facility with all state and federal laws designed to protect human health, welfare and the environment (“environmental laws”) that are applicable to all facilities in the State of Texas owned or operated by the owner of the Facility or lessee, its parent, subsidiaries and, if a joint venture or partnership, every member of the joint venture or partnership (“applicants”). Consideration may also be given to compliance with environmental and worker safety laws by applicants at other facilities within the United States.

Section 3. **Application.**

- (a) Written Application. Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College.
- (b) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; proposed turbine location (if a wind turbine Facility); and a time schedule for undertaking and completing the proposed improvements. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated

for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.

(c) Local Employment and Procurement. Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 files thereof, with the capability of providing these services (a complete Schedule I and Schedule II).

~~(e)~~(d) Application Fee. There is a non-refundable application fee of \$2,500.00 due at the time of the application submission. The application fee does not imply that the proposed Abatement will be approved.

~~(d)~~(e) Written Notification. Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.

~~(e)~~(f) Feasibility. After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.

~~(f)~~(g) No Abatement if Construction has been Completed. No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.

~~(g)~~(h) Variance. Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

Section 4. **College Approval.**

(a) Designation of Zone. An Abatement shall be granted only for Facilities in a zone designated for Abatement under the Act by a County.

(b) Required Findings. The College must adopt findings that the proposed abatement terms of the proposed Agreement meet the College's Guidelines and Criteria.

- (c) Reservation of Rights. Nothing shall be construed to limit the authority of the College to examine each application for Abatement on a case-by-case basis and determine in its sole and absolute discretion whether or not abatement of the tax on the proposed Facility should be granted; whether or not the Facility will comply with these Guidelines and Criteria; whether it is financially feasible for the College, and whether or not the proposed temporary abatement of taxes will inure to the long-term benefit of the College. On matters of interpretation of the Tax Code or the Tax Abatement Act, the College may request an Attorney General' Opinion. The College's final determination shall not be subject to judicial review.

Section 5. **Agreement.**

- (a) Contents of Tax Abatement Agreement. The Agreement with the Owner shall include:
- (1) the estimated value to be subject to Abatement and the Base Year Value;
 - (2) the percentage of value to be abated each year as provided in Section 2(d);
 - (3) the commencement date and termination date of Abatement;
 - (4) the proposed use of the Facility, time schedule, map, proposed turbine location, property description and improvements list as provided in the application as required;
 - (5) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines and Criteria or other provisions that may be required for uniformity or by state law;
 - (6) the amount of Added Value as set out in 2(c) and required number of permanent jobs;
 - (7) a requirement that Owner shall certify to the board of trustees of the College on or before April 1 each year that the Owner is in compliance with each applicable term of the agreement;
 - (8) a requirement that the owner or lessee will obtain and maintain all required permits and other authorizations from all local, state and federal agencies with jurisdiction over the licensing or permitting, the design, construction, manufacture and operation of the Facility and for the storage, transport and disposal of waste, if any;
 - (9) a limitation that the uses of the property must be consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;

- (10) provision of access to and authorization to inspect the property by employees or authorized agents of the College to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement; and
 - (11) a provision that the board of trustees of the College may cancel or modify the Agreement if the Owner fails to comply with the Agreement.
- (b) Time of Execution. The Agreement shall normally be executed within 60 days after the applicant has provided all necessary information and documentation.
 - (c) Attorney's Fees. In the event any attorney's fees are incurred by the College in the preparation of an Agreement, said fees shall be paid by the applicant upon execution of the Agreement.
 - ~~(e)~~(d) Application Fee. There is a non-refundable application fee of \$2,500.00 due at the time of the application submission. The application fee does not imply that the proposed Abatement will be approved.

Section 6. **Recapture.**

- (a) Failure to Commence Operation During Term of Agreement. In the event that the Facility is not completed and does not begin operation as provided in the Agreement, no Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum required number of permanent jobs by the next January 1, then the Agreement shall be subject to termination and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination. Notwithstanding the foregoing, in the event that the above defaults are due to a Force Majeure condition, the College may grant extensions if the Owner is diligently proceeding to cure such defaults.
- (b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation but subsequently discontinues operations during any four (4) consecutive weeks during the term of the Agreement, for any reason except on a temporary basis due to a Force Majeure condition, the Agreement may be terminated by the College, and all taxes previously abated by virtue of the Agreement during the preceding four years shall be recaptured and paid within 60 days of such termination.
- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall be subject to termination and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the College determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the

address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the “Cure Period”), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period and the Agreement is terminated, the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.

- (e) Actual Capital Investment. Should the College determine that the total level of New Capital Investment is lower than provided in the Agreement, the difference between the tax abated and the tax which should have been abated based upon the actual New Capital Investment as determined shall be paid to the taxing agencies within 60 days of notification to the Owner of such determination.
- (f) Reduction in Rollback Tax Rate. If during any year of the period of Abatement with respect to any property any portion of the abated value for the Eligible Property which is added to the current total value of the College is not treated as “new property value” (as defined in Section 26.012(17) of the Texas Tax Code) for the purpose of establishing the “effective maintenance and operations rate” (as defined in Section 26.012(16) of the Texas Tax Code) in calculating the “rollback tax rate” in accord with Section 26.04(c)(2) of the Texas Tax Code and if the College’s budget calculations indicate that a tax rate in excess of the “rollback tax rate” is required to fund the operations of the College for the succeeding year, then the College shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:
 - (1) The amount of the taxes abated for that year by the College with respect to such property.
 - (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total Appraised Value of the College.

If the College has granted an Abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the Abatement with respect to each taxpayer.

All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the affected taxpayer. Penalties and interest applicable under the Tax Code shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- (g) Statutory Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall continue to be secured by the statutory tax lien pursuant to Section 32.01 of the Texas Tax Code which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.

- (h) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by the Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply. Owner shall immediately notify the College should any of the foregoing events occur.

Section 7. Administration.

- (a) Annual Assessment. The Starr County Appraisal District or the Hidalgo County Appraisal District, as applicable, shall annually determine the Appraised Value of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District with such information as may be necessary for the Abatement. Once value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the Appraised Value and the Abatement. Owner shall, on the anniversary date of the Agreement provide the College the Appraised Values of the Property and a certificate of taxes paid to each jurisdiction.
- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the College will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 24 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with all applicable safety standards.
- (c) Annual Evaluation. Upon completion of construction, the College, individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving Abatement to ensure compliance with the Agreement and report possible violations of the Agreement.
- (d) Annual Reports. Owner shall certify to the governing body of the College on or before April 1 each year that Owner is in compliance with each applicable term of the Agreement. Additionally, during the initial four years of the term of Abatement, the Owner shall provide to the College approving the Abatement an annual report covering those items listed on Schedule 1 in order to document its efforts to acquire goods and services on a local basis. Such annual report shall be prepared on a calendar year basis and shall be submitted to the College no later than ninety (90) days following the end of each such calendar year. The annual report shall be accompanied by an audit letter prepared by an independent accounting firm which has reviewed the report.

- (e) “Buy Local” Provision. Each recipient of Abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor for the materials, equipment and labor described on Schedule 1, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exceptional cases involving purchases over \$1,000,000 during construction and over \$50,000 during operations, a justification for such purchase shall be included in the annual report. Each such recipient shall further acknowledge that it is a legal and moral obligation of persons receiving Abatement to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. For the purposes of this provision, the terms “materials” and “labor” shall have the meaning set out in Schedule 1. For the purposes of this provision, the term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County. In the event of a breach of the buy-local provision, the percentage of Abatement shall be proportionately reduced equal to the amount the disqualified contract bears to the total construction cost (materials and labor) for the Facility. In the event that Owner contracts the supply and construction of the Facility to an affiliate or other non-local contractor, Owner shall use commercially reasonable efforts to ensure compliance with this Section by including in such contract a flow-through provision requiring such compliance.

SCHEDULE I

“Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local).
2. Dollar amount spent for materials* (total).
3. Dollar amount spent for labor** (local).
4. Dollar amount spent for labor** (total).
5. Number of jobs created in the construction of the Facility (local).
6. Number of jobs created in the construction of the Facility (total).
7. Number of jobs created on a permanent basis (local).
8. Number of jobs created on a permanent basis (total).

* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

SCHEDULE II

ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT

Section 1. Eligibility Criteria

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:

- The Facility must be one that will generate renewable energy;
- The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
- Shall exceed minimum levels of full-time job creation;
- Provide employee and dependent access to health care benefits;
- Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to the following:
- (a) Sponsorship of scientific events, teacher research grants to the College; materials and equipment, teaching materials to the College; R&D collaboration with local college;
 - (b) Total number of jobs created and maintained in the area;
 - (c) Number of high-wage jobs.

Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees *at the project location* must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.

3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (1) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the **Starr** County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$31,941 in 2014).

3.3 If the company does not meet and maintain these wage requirements for all new and existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

Section 4. Targeted and Qualifying Industries/Business Activities or Project team

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Section 5. Local Assessment: County and Community:

- 5.1 Describe how has the company's plan been prepared in consultation with the local community, property owners and local political leaders?
- (a) Local Community:
 - (b) Property Owners:
 - (c) Local Political Leaders:
- 5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:
- a. Local:
 - b. State:
 - c. Federal:
- 5.3 Outline what processes, if any, were followed for community consultation for the Facility's development.
- 5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.
- 5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.
- 5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.
- 5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:
- landscape and visual amenity:

- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any):
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

The College will rely on the review of the applicable County and on state agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include noise impacts, visual amenity and ecological issues.

Section 6. Life of Facility and Decommissioning

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a “pass-through” owner or intends to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner’s assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

Section 7. Noise Auditing and compliance:

Has applicant developed a plan on procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available.

EXHIBIT A

Application for Tax Abatement

SOUTH TEXAS COLLEGE

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application completed Schedules I and II.

Applicant name:

Applicants address and phone number:

Applicant organization:

Type of Business:

Organization address and phone:

Organization Contact:

Contact address and phone:

Proposed project or facility address: **[Need to add address or location]**

1. Provide brief description of project or facility for which tax abatement is sought.

2. Does this property fall under the definition of "Eligible Property" provided in the _____ County Guidelines & Criteria?

Yes

No

3. This application is for (choose one):

new plant

Expansion

Modernization

4. Please list all the taxing jurisdictions in which the proposed project or facility is located.

[Are applications for tax abatement being submitted to all these jurisdictions?]

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

[What is the extent of the abatement being requested?]

[Does (company) contemplate that the Project will be completed in Phases?]

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement?

[The (amount) represents 5% depreciation over 10 years.]

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

See Attachment 1

8. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by ~~Star~~ the County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to ~~Star~~ the County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to ~~Star~~ the County.

See Attachment 1

9. Please attach the following information to this application:
- (1) A map and description of the property for which abatement is sought;
 - (2) A time schedule for completing the planned improvements; and
 - (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.

See Attachment 1

10. Please describe the proposed or existing Reinvestment Zone in which this project will be located.

DEGS seeks the County's approval of the Reinvestment Zone attached as Exhibit. The Project will be located in the center portion of the Zone, Although the Project could expand north and northwest into other areas inside the zone boundary shown on the attached Exhibit B.

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

I attest that the information provided in this application is true and correct to the best of my knowledge.

Applicant Signature:

Authorized Representative

Name of Applicant:

Date of application submission:

Exhibit A
Legal Description of Reinvestment Zone
Containing Proposed Project

Please attach a copy of the map of the County's Reinvestment Zone and the location(s) of the facility (ies)

The real property in _____ County, being all of the (lots, block/section) in the _____.

Exhibit B
Map of Project Area

ADDENDUM A

~~A RESOLUTION OF THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE ELECTING TO PARTICIPATE IN TAX ABATEMENT AGREEMENTS AND ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS.~~

~~STATE OF TEXAS _____ §
COUNTY OF STARR _____ §
AND HIDALGO _____ §
SOUTH TEXAS COLLEGE _____ §~~

~~DISTRICT~~

~~WHEREAS, the Board of Trustees of South Texas College, is authorized to enter into Tax Abatement Agreements for Commercial Industrial purposes as authorized in Chapter 312 of the~~

~~Texas Tax Code, "Property Redevelopment and Tax Abatement Act" (The "Act");~~

~~WHEREAS, the Act requires South Texas College to establish Guidelines and Criteria for the designation for reinvestment zones and the entering into Tax Abatement Agreements; and~~

~~WHEREAS, the Act requires eligible taxing jurisdictions to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any future tax abatements, said Guidelines and Criteria to be unchanged for a two year period unless amended or repealed by a three-fourths vote of the Board of Trustees;~~

~~NOW, THEREFORE, BE IT RESOLVED that South Texas College declares it is eligible to participate in a Tax Abatement Program.~~

~~FURTHER, BE IT RESOLVED that South Texas College hereby adopts the attached Guidelines and Criteria for Tax Abatement for use in all Tax Abatement Programs.~~

~~CONSIDERED, PASSED, APPROVED, AND SIGNED this _____ day of _____, _____ at a regular meeting of the Board of Trustees of South Texas College at which a quorum was present and which was held in accordance with the provisions of Texas Government Code~~

~~Chapter 551.~~

~~SOUTH TEXAS COLLEGE~~

~~BY: _____
_____ Chairman~~

~~ATTEST:~~

~~BY: _____
_____ Secretary~~

Discussion and Action as Necessary on Terra-Gen Development Company, LLC, Tax Abatement Applications, Agreements, and Resolutions

- A. Buenos Aires Windpower, LLC
- B. Monte Cristo Windpower, LLC
- C. La Joya Windpower, LLC
- D. West Willacy Windpower, LLC (Monte Alto)

Mary Elizondo will provide an update at the meeting and will address any questions by the Committee.

On May 30, 2019, the Board of Trustees authorized an offer to Terra-Gen with the following terms:

- 50% tax abatement for each of the four projects for a period not to exceed ten years
- A lump sum payment to the College of \$30,000 per project for scholarships
- A \$10,000 Payment in Lieu of Taxation (PILOT) to the College per project for each of the ten years of the abatement period

On November 6, 2019, Terra-Gen accepted the Board's May 30, 2019 terms. The Terra-Gen letter follows in the packet for the Committee's reference.

Enclosed Documents – The Terra-Gen Development Company, LLC Tax Abatement Applications for three projects and a specimen of the Tax Abatement Agreement and Resolution prepared by Mr. Jesus Ramirez, legal counsel, follows in the packet for the Committee's information and review. The Application for West Willacy Windpower, LLC (Monte Alto) is still pending updates from Terra-Gen Development Company, LLC.

It is requested that the Finance, Audit, and Human Resources committee recommend for Board approval at the November 26, 2019 Board meeting, to take action as necessary regarding the Terra-Gen Development Company, LLC, Tax Abatement if needed.

November 6, 2019

Ms. Mary Elizondo
South Texas College - Business Office
3200 W. Pecan, Bldg. N
McAllen, TX 78501

Re: Terra Gen LLC Tax Abatement Proposal for the Monte Alto Windpower, Buenos Aires Windpower, Monte Cristo Windpower and La Joya Windpower Projects.

Dear Ms. Elizondo:

We would once again like to thank the South Texas College Board of Trustees for consideration of Terra Gen wind project request for tax abatement on the above referenced projects.

On Thursday, May 30th the South Texas College Board of Trustees received a final Committee recommendation to approve the proposal of the four wind projects for a 50% abatement to include a \$30,000 scholarship contribution per project and a \$10,000 per year payment in lieu of taxes. In approving the Committee recommendation, the Board further authorized Dr. Reed and administrative staff to prepare the agreement to be approved by the Board at a future date. *(Please note: our reference to the above is taken from the STC Board Meeting video of May 30th at the 1:02 hour mark.)*

This letter is intended to affirm and officially accept the Board offer to be included in the agreement draft we have been working on with legal counsel since July. We sincerely apologize for our tardy response during the summer as these items do require corporate review and approval. However, we are encouraged and excited we are nearing a final draft for Board approval very soon.

Please do not hesitate to call or notify our local representative Robert Pena should you have any questions or concerns.

Sincerely,



Milt Howard, VP Development
Terra Gen, LLC

Application for Chapter 312 Tax Abatement Agreement by Buenos Aires Windpower, LLC



Submitted by:

Terra-Gen, LLC



February 28, 2019 SCHEDULE I

“Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local): \$500,000
2. Dollar amount spent for materials* (total): \$500,000
3. Dollar amount spent for labor** (local): \$325,000
4. Dollar amount spent for labor** (total): \$325,000
5. Number of jobs created in the construction of the Facility (local): 150 FTE's
6. Number of jobs created in the construction of the Facility (total): 200 FTEs
7. Number of jobs created on a permanent basis (local): 8 per site
8. Number of jobs created on a permanent basis (total): 8 per site

* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

SCHEDULE II

ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT

Section 1. Eligibility Criteria

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:
 - The Facility must be one that will generate renewable energy;
 - The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
 - Shall exceed minimum levels of full-time job creation;
 - Provide employee and dependent access to health care benefits;
 - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Buenos Aires, Monte Cristo, La Joya & Monte Alto Windpower projects (The Projects). Each aforementioned entity is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal. Each project is anticipating total capital costs of \$223,388,000. However, it is anticipated that \$175,000,000 of capital costs for Monte Alto will be located within Hidalgo County and South Texas College boundaries. The Projects are expected to have a total investment of \$845,164,000 within Hidalgo County, all of which falls within the South Texas College boundaries. The Projects will be providing 200 construction jobs for Hidalgo County residents and 8 permanent operations jobs which include: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$40,154.40 with access to employee/dependent health care benefits.

Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:
 - (a) Sponsorship of scientific events, teacher research grants to the College; materials

and equipment, teaching materials to the College; R&D collaboration with local college;

- (b) Total number of jobs created and maintained in the area;
- (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Each Project will maintain 8 permanent jobs for the project for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (1) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and

existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

The Projects are committed to creating 8 permanent jobs each for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

Section 4. Targeted and Qualifying Industries/Business Activities or Project team

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-240 Megawatts (“MW”) of renewable energy into the ERCOT market.

Section 5. Local Assessment: County and Community:

5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?

(a) Local Community:

The projects are located in rural portions of Hidalgo Co & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.

(b) Property Owners:

During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.

(c) Local Political Leaders:

The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.

5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:

(a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.

(b) State: TCEQ, Tx Parks & Wildlife, State Comptroller

(c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife

5.3 Outline what processes, if any, were followed for community consultation for the Facility’s development.

Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County

Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County's fire marshal, solid waste and irrigation/drainage districts.

- 5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state for federal regulatory agency.

- 5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects.

- 5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any):
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

Section 6. Life of Facility and Decommissioning

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a "pass-through" owner or intends to assign its interest in the Facility and the Abatement Agreement, include proposed contractual

language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner's assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. In the signed leases with the landowners, Terra-Gen has included a Removal Bond to assure each land owner that when the project is decommissioned, each and every turbine, foundation & infrastructure will be removed from their location. The leases with the land owner do allow for Terra-Gen to assign its interests to an interested party, however the lease also obligates the interested party to comply with all aspects of the lease including the removal bond, term of lease, and payments structures to the land owner.

Section 7. Noise Auditing and compliance:

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.

EXHIBIT A

Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

Part I. Applicant Information

Application Date: 02/12/2019

Applicant Name: Buenos Aires Windpower, LLC

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

Part II. Project Information

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

Project 1-Buenos Aires Windpower, LLC:

Buenos Aires Windpower, LLC ("Buenos Aires") is a Renewable Energy project located in Hidalgo County, Texas within the Edinburg CISD boundaries to be located at the northwest corner of FM 1017 & north I-69 (US Hwy 281). Buenos Aires seeks to develop and interconnect 201 megawatts ("MW") of power into the ERCOT market via interconnect into the AEP 345 kV Lon C Hill line.

The improvements for Buenos Aires will consist of a proposed wind power generation facility, comprised of 201 megawatts ("MW") of nameplate capacity located in the Hidalgo County Enterprise Zone. Construction is anticipated to begin no later than the 2nd quarter of 2020 and it is currently anticipated that construction will be complete by the 3rd quarter of 2021.

The improvements are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 with a nameplate capacity of 2.2 MW and 6 with a nameplate capacity of 3.45 MW, although the exact number

may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zone meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of “Eligible Property” provided in the Hidalgo County Guidelines & Criteria?

Yes
 No

3. This application is for (*choose one*):

New plant
 Expansion
 Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo/Starr/Cameron County

Taxing Entity #2: EMS District #03

Taxing Entity #3: South Texas College

Taxing Entity #4: South Texas ISD

Taxing Entity #5: Edinburg CISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

Yes
 No

Buenos Aires will not be applying for tax abatement/values limitation agreements with EMS District #03 or South Texas ISD. Tax abatement and Value Limitation agreements with Hidalgo County and Edinburg CISD have already been approved.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Buenos Aires is seeking an 80 % abatement of taxes effective for ten (10) full calendar years for the projects beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of

construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

Buenos Aires is anticipating capital costs of at least \$223,388,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 200 megawatts (“MW”) of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for Buenos Aires are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 with a nameplate capacity of 2.2 MW and 6 with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

a. What is the extent of the abatement being requested?

Buenos Aires Windpower, LLC, seeks an abatement of taxes of the cited project effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

b. Does applicant contemplate that the Project will be completed in Phases?

Yes

No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project when completed is expected to be \$223,388,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra Gen, LLC in the future, the developer estimates the project, will have retained a value of approximately \$136,501,847.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

Buenos Aires Windpower, LLC intends to construct a wind powered electric generating facility with an expected value greater than \$223,388,000 in Hidalgo County. At a minimum, the Project will result in a wind power facility with an estimated 201-megawatt nameplate capacity.

Buenos Aires Windpower, LLC estimates that installing the wind turbines will create 150 to 200 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. Buenos Aires further anticipates the creation of eight full-time jobs at each project location for a total of 32 full time jobs for the operation and maintenance of the Project. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Project, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:
- (1) current value of land and existing improvements, if any;
 - (2) type, value and purpose of proposed improvements;
 - (3) productive life of proposed improvements;
 - (4) impact of proposed improvements and other expenditures on existing jobs;
 - (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
 - (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;
 - (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
 - (8) estimation of the amount of ad valorem property taxes to be paid to County after expiration of the abatement agreement;
 - (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
 - (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
 - (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;
[See page 16-19](#)
- (2) A time schedule for completing the planned improvements; and,
[Buenos Aires Windpower, LLC is anticipating that construction will begin no later than the 2nd Quarter of 2020 and will be completed by the 3rd Quarter of 2021.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.
Please see: <https://www.ecpartners.com/> and <https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project are located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:

Milt Howard

Milton Howard
Vice President of Development
Terra-Gen, LLC

Date of application submission: 02-14-2019

Exhibit A

Legal Descriptions of Investment Zones Containing Proposed Projects

Please attach a copy of the map of the Counties Zones and the locations of the facilities

Project 1-Buenos Aires Windpower, LLC:

The legal descriptions for Buenos Aires Windpower, LLC located in Hidalgo County, Texas are as follows:

DEL TULE-1.0AC FOR IMPS-SHR A-32.45AC TR 2 GUERRA PART R-S OF SE 100ACS-TR 8 & 9 1.0AC NET

DEL TULE 466.29AC OUT OF SH B-TR 901.24AC R/S OF DEL TU & SANTA ANITA 466.29 AC NET

DEL TULE SHR.B-901.24 AC. TR.1 GUERRA PARTITION.RESUBDV. OF SH. A RESUB OF DEL TULE & SANTA ANITA

DEL TULE-SHR A-32.45ACS TR 2 GUERRA PART R-S OF SE 100ACS-TR 8 & 9 EXC 1AC FOR IMPS 4921.73AC NET

DEL TULE 40.08 AC -S H C TR 1 AKA S H A TR 2- 901.24 AC R/S DEL TULE & SANTA ANITA 40.08 AC NET

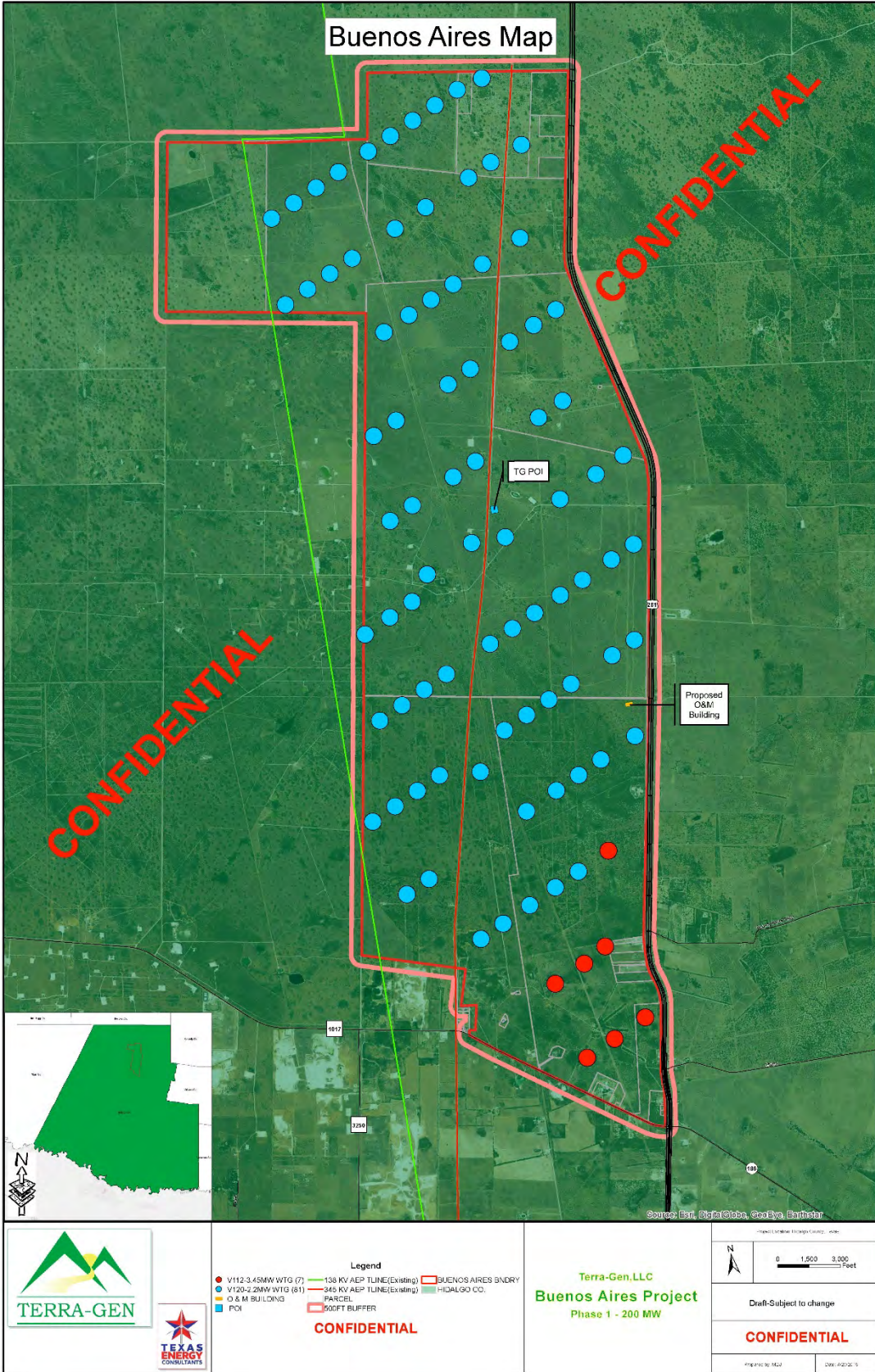
DEL TULE PART-1,2&3 SHR B-EXC 1AC R/S OF DEL TULE & SANTA ANITA 2176AC

DEL TULE AN IRR TR W6076.65'-TR 84 & WPT-T86 EXC 9.00 AC 2343.93AC GR 2334.93 AC NET

DEL TULE AN IRR TR E7490.38'-TR 84 & EPT-86 EXC VAR'S TRS 2568.44 AC NET

Exhibit B
Maps of Project Areas

CONFIDENTIAL-PLEASE SEE ATTACHED



- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
 - a. The application shall consist of a completed application form (Exhibit A) accompanied by:
 - b. a general description of the new improvements to be undertaken;
 - c. a descriptive list of the improvements for which Abatement is requested;
 - d. a list of the kind, number and location of all proposed improvements of the property;
 - e. a map and property description; proposed turbine location (if a wind turbine Facility);
 - f. and a time schedule for undertaking and completing the proposed improvements.
 - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.

**The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.

- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

Project Descriptions:

Project 1-Buenos Aires Windpower, LLC:

Buenos Aires Windpower, LLC is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 88 wind turbines, with a combined make up of 82 wind turbines with a nameplate capacity of 2.2 MW wind turbines and 6 wind turbines with a nameplate capacity of 3.45 MW wind turbines and a combined total generating capacity of approximately 201 MW; up to 88 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 88 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the AEP Lon C. Hill to North Edinburg, 345kV transmission line located in central Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a shared Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls for Buenos Aires and Monte Cristo Projects. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction of the wind farm is proposed to begin in the 2nd Quarter of 2020 with an estimated commercial operations date no later than the 3rd Quarter of 2021, contingent upon favorable economics for the project.

Descriptive List for which Abatement is being requested:

Project 1-Buenos Aires Windpower, LLC:

Buenos Aires Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within South Texas College boundaries. Additional improvements of Qualified Property include:

- 88 Wind Turbines: 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within South Texas College boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Buenos Aires intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line internal to the Project, located within South Texas College boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Exhibit B shows the proposed project area with the anticipated improvement locations.

Enterprise Zones:

Hidalgo, County is designated enterprise zone county as defined under the Texas Governor’s “[Governor’s Economic Development Finance department online](#)” link provided by Texas Comptroller website under “[The Texas Enterprise Zone Program](#).” The Governor’s website “Texas Enterprise Zone Program”- “[Economic Zone Program Rules, 10 TAC 176](#)” according to section (b), subsection (11); which defines a distressed county as: “a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data.”

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as “Distressed County” under Texas Government Code Chapter 2303.003 (1-c). Where a “Distressed County” means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Education		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.

Hidalgo County, TX Unemployment Rate Chart

[View Full Chart](#)

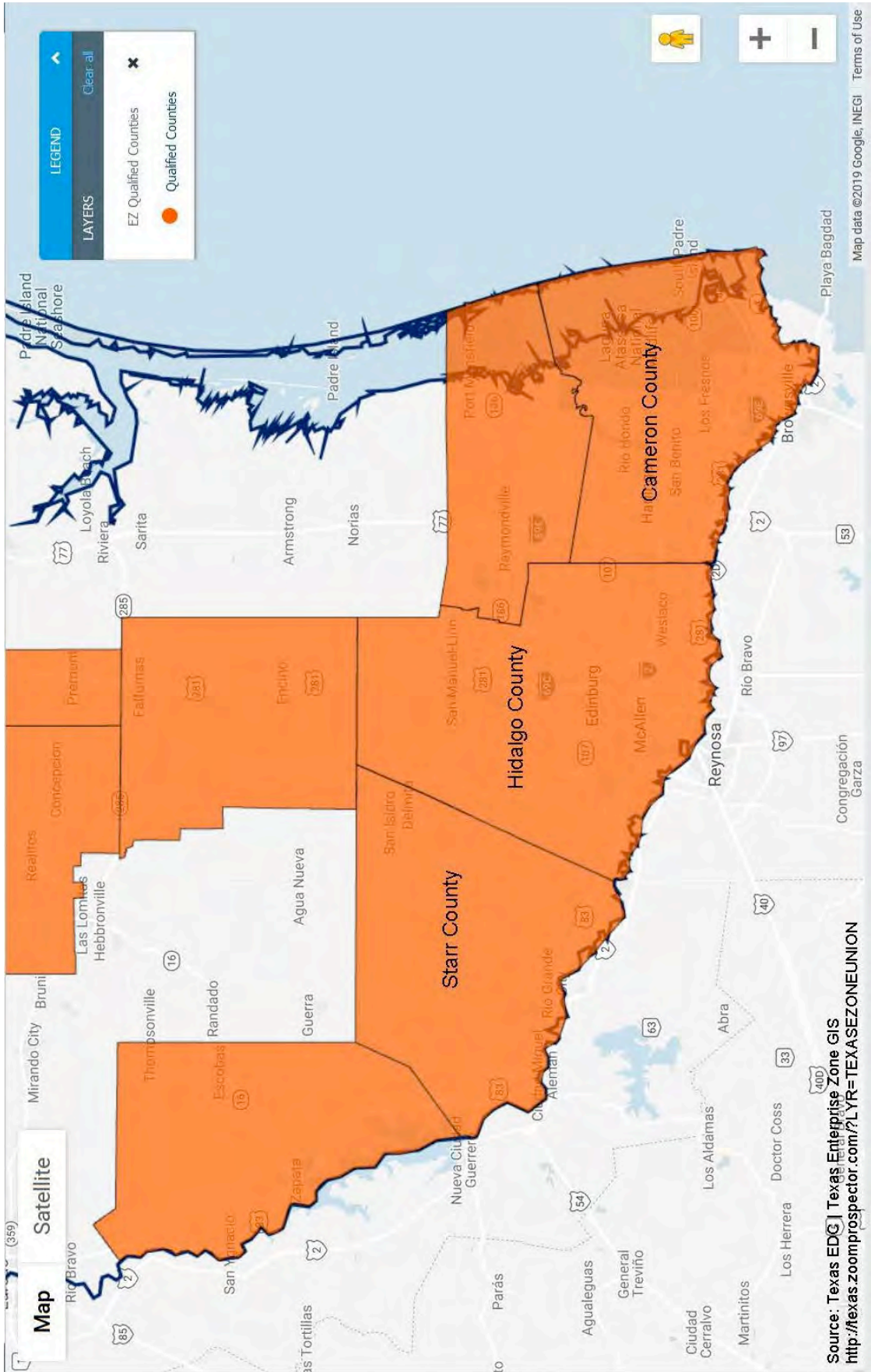
5d 1m 3m 6m YTD 1y 5y 10y Max

Export Data Save Image Print Image



Source: https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate

Enterprise Zone Map



Application for Chapter 312 Tax Abatement Agreement by Monte Cristo Windpower, LLC



Submitted by:

Terra-Gen, LLC



February 28, 2019

SCHEDULE I

“Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local): \$500,000
2. Dollar amount spent for materials* (total): \$500,000
3. Dollar amount spent for labor** (local): \$325,000
4. Dollar amount spent for labor** (total): \$325,000
5. Number of jobs created in the construction of the Facility (local): 150 FTE's
6. Number of jobs created in the construction of the Facility (total): 200 FTEs
7. Number of jobs created on a permanent basis (local): 8 per site
8. Number of jobs created on a permanent basis (total): 8 per site

* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

SCHEDULE II

ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT

Section 1. Eligibility Criteria

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:
 - The Facility must be one that will generate renewable energy;
 - The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
 - Shall exceed minimum levels of full-time job creation;
 - Provide employee and dependent access to health care benefits;
 - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Buenos Aires, Monte Cristo, La Joya & Monte Alto Windpower projects (The Projects). Each aforementioned entity is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal. Each project is anticipating total capital costs of \$223,388,000. However, it is anticipated that \$175,000,000 of capital costs for Monte Alto will be located within Hidalgo County and South Texas College boundaries. The Projects are expected to have a total investment of \$845,164,000 within Hidalgo County, all of which falls within the South Texas College boundaries. The Projects will be providing 200 construction jobs for Hidalgo County residents and 8 permanent operations jobs which include: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$40,154.40 with access to employee/dependent health care benefits.

Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:
 - (a) Sponsorship of scientific events, teacher research grants to the College; materials

and equipment, teaching materials to the College; R&D collaboration with local college;

- (b) Total number of jobs created and maintained in the area;
- (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Each Project will maintain 8 permanent jobs for the project for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (1) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and

existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

The Projects are committed to creating 8 permanent jobs each for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

Section 4. Targeted and Qualifying Industries/Business Activities or Project team

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-240 Megawatts (“MW”) of renewable energy into the ERCOT market.

Section 5. Local Assessment: County and Community:

- 5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?
 - (a) Local Community:
The projects are located in rural portions of Hidalgo Co & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.
 - (b) Property Owners:
During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.
 - (c) Local Political Leaders:
The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.
- 5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:
 - (a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.
 - (b) State: TCEQ, Tx Parks & Wildlife, State Comptroller
 - (c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife
- 5.3 Outline what processes, if any, were followed for community consultation for the Facility’s development.

Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County's fire marshal, solid waste and irrigation/drainage districts.

- 54 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state or federal regulatory agency.

- 55 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 56 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects.

- 57 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any:
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

Section 6. Life of Facility and Decommissioning

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a "pass-through" owner or intends

to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner's assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. In the signed leases with the landowners, Terra-Gen has included a Removal Bond to assure each land owner that when the project is decommissioned, each and every turbine, foundation & infrastructure will be removed from their location. The leases with the land owner do allow for Terra-Gen to assign its interests to an interested party, however the lease also obligates the interested party to comply with all aspects of the lease including the removal bond, term of lease, and payments structures to the land owner.

Section 7. Noise Auditing and compliance:

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.

EXHIBIT A

Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

Part I. Applicant Information

Application Date: 02/12/2019

Applicant Name: Monte Cristo Windpower, LLC

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

Part II. Project Information

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

Project 2-Monte Cristo Windpower, LLC:

Monte Cristo Windpower, LLC ("Monte Cristo") is a Renewable Energy project located in Hidalgo County, Texas within the Edinburg CISD boundaries to be located on FM 490, 2 miles west of north I-69 (US Hwy 281). Monte Cristo seeks to develop and interconnect 201 megawatts ("MW") of power into the ERCOT market via interconnect into the AEP 345 kV Lon C Hill line.

The improvements for Monte Cristo will consist of a proposed wind power generation facility, comprised of 201 megawatts ("MW") of nameplate capacity located in the Hidalgo County Enterprise Zone. Construction is anticipated to begin no later than the 2nd quarter of 2020 and it is currently anticipated that construction will be complete by the 3rd quarter of 2021.

The improvements are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 turbines with a nameplate capacity of 2.2 MW and 6 turbines with a nameplate capacity of 3.45 MW, although

the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zone meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of “Eligible Property” provided in the Hidalgo County Guidelines & Criteria?

Yes
 No

3. This application is for (*choose one*):

New plant
 Expansion
 Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo County

Taxing Entity #2: South Texas College

Taxing Entity #3: South Texas ISD

Taxing Entity #4: Edinburg CISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

Yes
 No

Monte Cristo will not be applying for values limitation agreement with South Texas ISD. Tax abatement and Value Limitation agreements with Hidalgo County and Edinburg CISD have already been approved.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Monte Cristo is seeking an 80 % abatement of taxes effective for ten (10) full calendar years for the projects beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of

construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

Monte Cristo is anticipating capital costs of at least \$223,388,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 200 megawatts (“MW”) of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for Monte Alto are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 with a nameplate capacity of 2.2 MW and 6 with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

a. What is the extent of the abatement being requested?

Monte Cristo Windpower, LLC, seeks an abatement of taxes of the cited project effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

b. Does applicant contemplate that the Project will be completed in Phases?

Yes

No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project when completed is expected to be \$223,388,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra Gen, LLC in the future, the developer estimates the project, will have retained a value of approximately \$136,501,847.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

Monte Cristo Windpower, LLC intends to construct a wind powered electric generating facility with an expected value greater than \$223,388,000 in Hidalgo County. At a minimum, the Project will result in a wind power facility with an estimated 201-megawatt nameplate capacity.

Monte Cristo Windpower, LLC estimates that installing the wind turbines will create 150 to 200 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. Monte Cristo further anticipates the creation of eight full-time jobs at each project location for a total of 32 full time jobs for the operation and maintenance of the Project. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Project, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:
- (1) current value of land and existing improvements, if any;
 - (2) type, value and purpose of proposed improvements;
 - (3) productive life of proposed improvements;
 - (4) impact of proposed improvements and other expenditures on existing jobs;
 - (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
 - (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;
 - (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
 - (8) estimation of the amount of ad valorem property taxes to be paid to County after expiration of the abatement agreement;
 - (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
 - (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
 - (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;
[See page 16-19](#)
- (2) A time schedule for completing the planned improvements; and,
[Monte Cristo Windpower, LLC is anticipating that construction will begin no later than the 2nd Quarter of 2020 and will be completed by the 3rd Quarter of 2021.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.
Please see: <https://www.ecpartners.com/> and <https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project are located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:



Milton Howard
Vice President of Development
Terra-Gen, LLC

Date of application submission: 02-14-2019

Exhibit A

Legal Descriptions of Investment Zones Containing Proposed Projects

Please attach a copy of the map of the Counties Zones and the locations of the facilities

Project 2-Monte Cristo Windpower, LLC:

The legal descriptions for Monte Cristo Windpower, LLC located in Hidalgo County, Texas are as follows:

Del Tule

Tracts 149-151

Desierto-La Jamaica Los Potrillos

Tracts 1-4

Jackson Tract

Blk 97, lots 5-8

Blk 98-99, lots 5-8

Blk 100 lots, 7-12

Blk 101-103, all lots

Blk 104, lots 1-8

Blk 117, all lots

Blks 118-119, lots 1-8

Blk 120, lots 5-8

Blks 121-123, lots 5-8

Blk 124, all lots

Blk 134-138, all lots

Blk 139, lots 1-8

Blk 140-147, all lots

Blk 147, lots 2-7

Blks 154-159, all lots

Blk 160, lots 1-12

Blks 161-165, all lots

Blk 167, all lots

Blks 174-180, all lots

Blk 181-182, all lots

Blk 183, lots 1-8

Blk 184, lots 3-7

Blks 185-187, all lots

Blks 196, lots 1 & 8

BLKS 198-200, all lots

Blk 201, lots 1-6

Blks 202-207, all lots

Blks 214-227 all lots

Blks 234-247 all lots

Blks 254-267 all lots

Laguna Seca

Pummil Strip

Retama & Brazil

Tract 160

Rio Grande Dev Co

Blk 1, lots 1-3

Blk 2-3, lots 1-4

Blk 4, lots 1 & 2

Blk 5, lots 1-5

Blks 6-11, 1-12

Blks 13 -16

Rio Grande Securities

Blks 6-7, lots 1-38

Blk 8, lots 20-38

Santa Anita

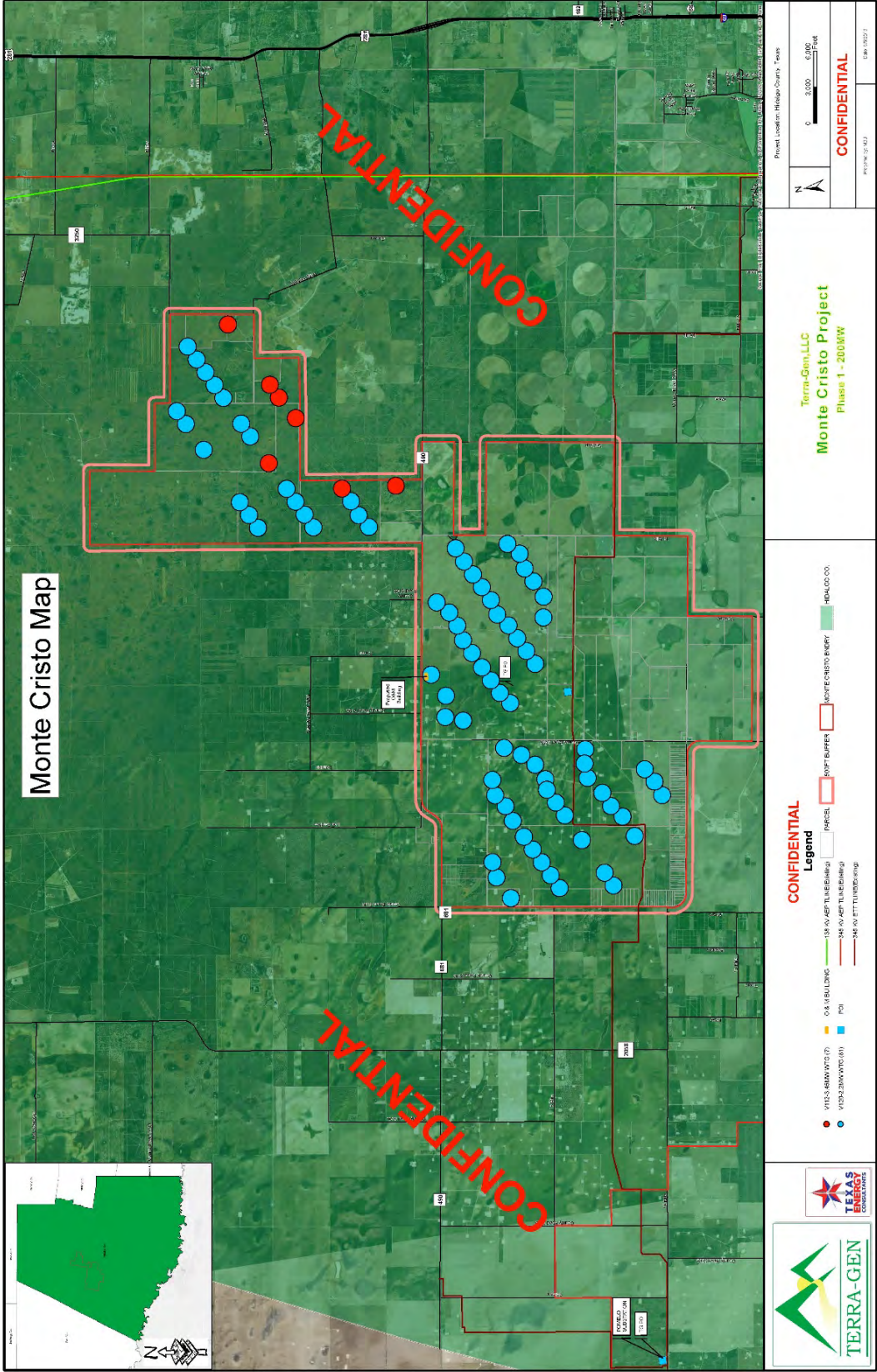
J.J. Young Tract

Tex-Mex Survey

Secs 202-212

Exhibit B
Maps of Project Areas

CONFIDENTIAL-PLEASE SEE ATTACHED



Monte Cristo Map

Project Location: Hidalgo County, Texas
 0 0.000 0.000 Feet
 N
CONFIDENTIAL
 04/12/2021

Terra-Gen, LLC
Monte Cristo Project
 Phase 1 - 2008047

CONFIDENTIAL
Legend

- PV100 (MW) (2500 KW)
- PV200 (MW) (5000 KW)
- PV300 (MW) (7500 KW)
- PV400 (MW) (10000 KW)
- PV500 (MW) (12500 KW)
- PV100 (MW) (2500 KW)
- PV200 (MW) (5000 KW)
- PV300 (MW) (7500 KW)
- PV400 (MW) (10000 KW)
- PV500 (MW) (12500 KW)
- PV100 (MW) (2500 KW)
- PV200 (MW) (5000 KW)
- PV300 (MW) (7500 KW)
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- PV200 (MW) (5000 KW)
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- PV100 (MW) (2500 KW)
- PV200 (MW) (5000 KW)
- PV300 (MW) (7500 KW)
- PV400 (MW) (10000 KW)
- PV500 (MW) (12500 KW)
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- PV300 (MW) (7500 KW)
- PV400 (MW) (10000 KW)
- PV500 (MW) (12500 KW)
- PV100 (MW) (2500 KW)
- PV200 (MW) (5000 KW)
- PV300 (MW) (7500 KW)
- PV400 (MW) (10000 KW)
- PV500 (MW) (12500 KW)



- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
 - a. The application shall consist of a completed application form (Exhibit A) accompanied by:
 - b. a general description of the new improvements to be undertaken;
 - c. a descriptive list of the improvements for which Abatement is requested;
 - d. a list of the kind, number and location of all proposed improvements of the property;
 - e. a map and property description; proposed turbine location (if a wind turbine Facility);
 - f. and a time schedule for undertaking and completing the proposed improvements.
 - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.

**The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.

- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

Project Descriptions:

Project 2-Monte Cristo Windpower, LLC:

Monte Cristo Windpower, LLC is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 88 wind turbines, with a combined make up of 82 wind turbines with a nameplate capacity of 2.2 MW wind turbines and 6 wind turbines with a nameplate capacity of 3.45 MW wind turbines and a combined total generating capacity of approximately 201 MW; up to 88 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 88 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the ETT Lobo to North Edinburg, 345kV transmission line located in central Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a shared Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls for Buenos Aires and Monte Cristo Projects. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction of the wind farm is proposed to begin in the 2nd Quarter of 2020 with an estimated commercial operations date no later than the 3rd Quarter of 2021, contingent upon favorable economics for the project.

Descriptive List for which Abatement is being requested:

Project 2-Monte Cristo Windpower, LLC:

Monte Cristo Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within Edinburg CISD. Additional improvements of Qualified Property include:

- 88 Wind Turbines 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All-weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection

and location of the infrastructure may change, all equipment outlined above is expected to be located within South Texas College boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Cristo intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line, located within South Texas College boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Exhibit B shows the proposed project area with the anticipated improvement locations.

Enterprise Zones:

Hidalgo, County is designated enterprise zone county as defined under the Texas Governor’s [“Governor’s Economic Development Finance department online”](#) link provided by Texas Comptroller website under [“The Texas Enterprise Zone Program.”](#) The Governor’s website “Texas Enterprise Zone Program”- [“Economic Zone Program Rules, 10 TAC 176”](#) according to section (b), subsection (11); which defines a distressed county as: “a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data.”

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as “Distressed County” under Texas Government Code Chapter 2303.003 (1-c). Where a “Distressed County” means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

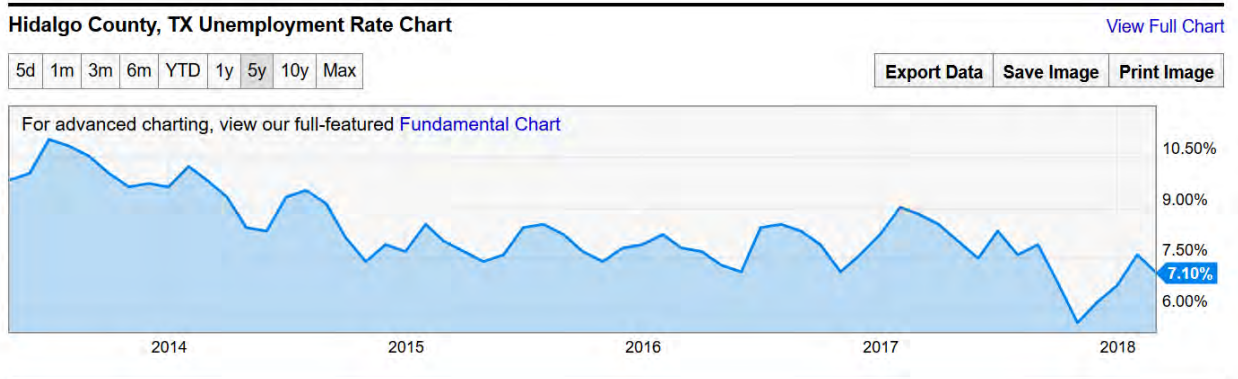
Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Education		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

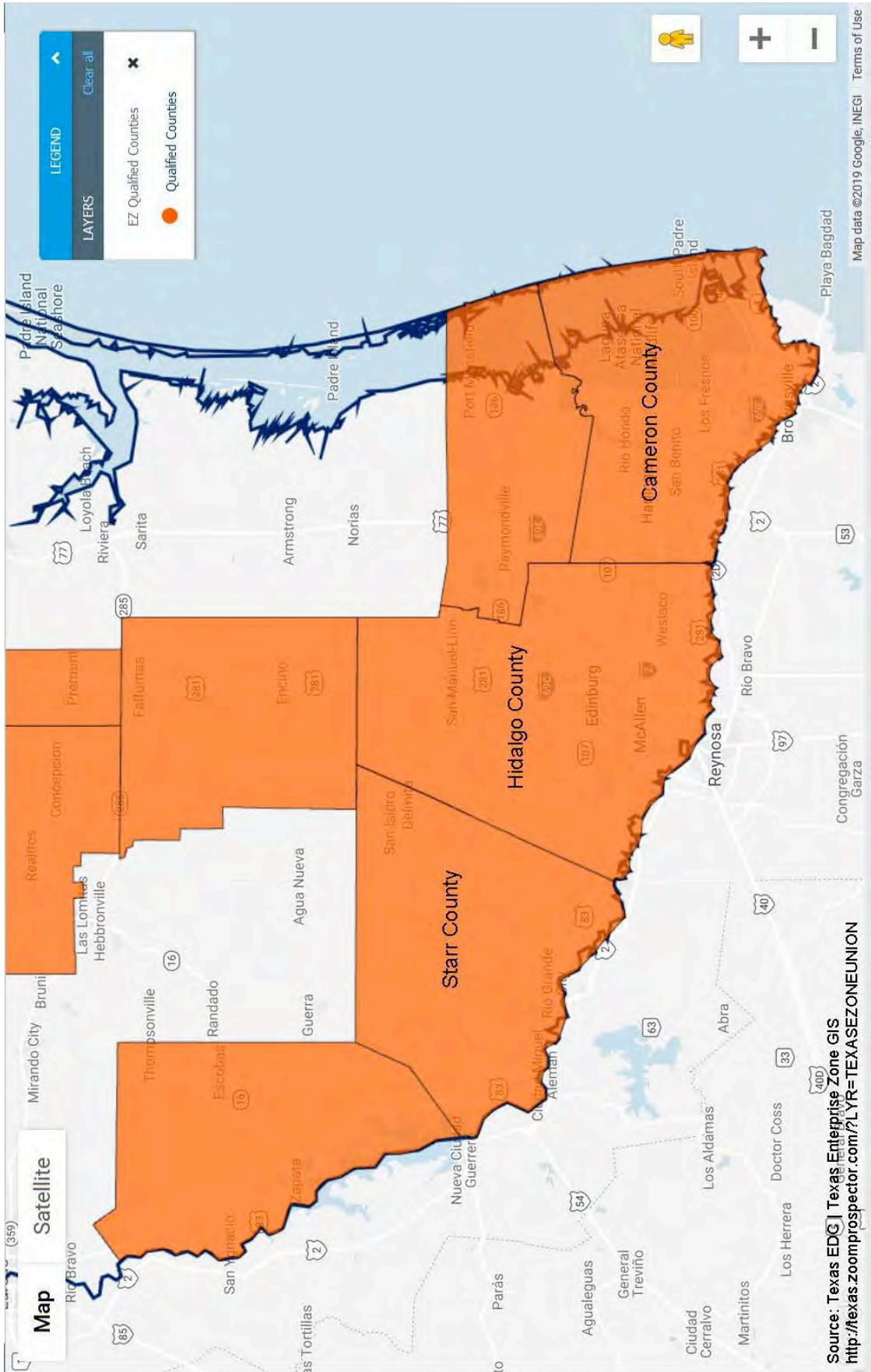
Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.



Source: https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate

Enterprise Zone Map



Application for Chapter 312 Tax Abatement Agreement by La Joya Windpower, LLC



Submitted by:

Terra-Gen, LLC



February 28, 2019

SCHEDULE I

“Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local): \$500,000
2. Dollar amount spent for materials* (total): \$500,000
3. Dollar amount spent for labor** (local): \$325,000
4. Dollar amount spent for labor** (total): \$325,000
5. Number of jobs created in the construction of the Facility (local): 150 FTE's
6. Number of jobs created in the construction of the Facility (total): 200 FTEs
7. Number of jobs created on a permanent basis (local): 8 per site
8. Number of jobs created on a permanent basis (total): 8 per site

* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

SCHEDULE II

ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT

Section 1. Eligibility Criteria

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:
 - The Facility must be one that will generate renewable energy;
 - The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
 - Shall exceed minimum levels of full-time job creation;
 - Provide employee and dependent access to health care benefits;
 - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Buenos Aires, Monte Cristo, La Joya & Monte Alto Windpower projects (The Projects). Each aforementioned entity is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal. Each project is anticipating total capital costs of \$223,388,000. However, it is anticipated that \$175,000,000 of capital costs for Monte Alto will be located within Hidalgo County and South Texas College boundaries. The Projects are expected to have a total investment of \$845,164,000 within Hidalgo County, all of which falls within the South Texas College boundaries. The Projects will be providing 200 construction jobs for Hidalgo County residents and 8 permanent operations jobs which include: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$40,154.40 with access to employee/dependent health care benefits.

Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:
 - (a) Sponsorship of scientific events, teacher research grants to the College; materials

and equipment, teaching materials to the College; R&D collaboration with local college;

- (b) Total number of jobs created and maintained in the area;
- (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Each Project will maintain 8 permanent jobs for the project for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (1) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and

existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

The Projects are committed to creating 8 permanent jobs each for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

Section 4. Targeted and Qualifying Industries/Business Activities or Project team

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-240 Megawatts (“MW”) of renewable energy into the ERCOT market.

Section 5. Local Assessment: County and Community:

- 5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?
- (a) Local Community:
The projects are located in rural portions of Hidalgo Co & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.
 - (b) Property Owners:
During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.
 - (c) Local Political Leaders:
The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.
- 5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:
- (a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.
 - (b) State: TCEQ, Tx Parks & Wildlife, State Comptroller
 - (c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife
- 5.3 Outline what processes, if any, were followed for community consultation for the Facility’s development.

Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County's fire marshal, solid waste and irrigation/drainage districts.

- 54 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state or federal regulatory agency.

- 55 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 56 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects.

- 57 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any:
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

Section 6. Life of Facility and Decommissioning

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a "pass-through" owner or intends

to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner's assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. In the signed leases with the landowners, Terra-Gen has included a Removal Bond to assure each land owner that when the project is decommissioned, each and every turbine, foundation & infrastructure will be removed from their location. The leases with the land owner do allow for Terra-Gen to assign its interests to an interested party, however the lease also obligates the interested party to comply with all aspects of the lease including the removal bond, term of lease, and payments structures to the land owner.

Section 7. Noise Auditing and compliance:

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.

EXHIBIT A

Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

Part I. Applicant Information

Application Date: 02/12/2019

Applicant Name: La Joya Windpower, LLC

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

Part II. Project Information

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

Project 3-La Joya Windpower, LLC:

La Joya Windpower, LLC ("La Joya Windpower") is a Renewable Energy project located in Hidalgo & Starr Counties, Texas within the Edinburg CISD, and La Joya ISD boundaries to be located west of the intersection of FM 2221-Jara Chinas Road & Mile 7 (State Hwy 107). La Joya seeks to develop and interconnect 210 megawatts ("MW") of power into the ERCOT market via interconnect into the ETT 345 kV line to the Palmetto Substation.

The portion of improvements for La Joya Windpower located within Hidalgo will consist of 203 MW of the proposed wind power generation facility located in the Hidalgo Enterprise Zone. Construction is anticipated to begin no later than the 4th quarter of 2019 and it is currently anticipated that construction will be complete by the 4th quarter of 2020.

The improvements are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo & Starr County Appraisal Districts. The Project is expected to include approximately 90 wind turbines; 83 turbines with a

nameplate capacity of 2.2 MW and 7 turbines with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zones meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of “Eligible Property” provided in the Hidalgo County Guidelines & Criteria?

Yes
 No

3. This application is for (*choose one*):

New plant
 Expansion
 Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo/Starr County

Taxing Entity #2: South Texas College

Taxing Entity #3: South Texas ISD

Taxing Entity #4: Edinburg CISD

Taxing Entity #5: Rio Grande City CISD

Taxing Entity #6: La Joya ISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

Yes
 No

La Joya will not be applying for values limitation agreement with South Texas ISD, Edinburg CISD or Rio Grande City CISD. Tax abatement and Value Limitation agreements with Hidalgo County have already been approved. La Joya has submitted applications for Value Limitation agreements (Ch 313) with La Joya ISD.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

La Joya is seeking an 80 % abatement of taxes effective for ten (10) full calendar years for the projects beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

La Joya is anticipating capital costs of at least \$223,388,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 206 megawatts ("MW") of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for La Joya are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 90 wind turbines; 83 with a nameplate capacity of 2.2 MW and 7 with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

a. What is the extent of the abatement being requested?

La Joya Windpower, LLC, seeks an abatement of taxes of the cited project effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

b. Does applicant contemplate that the Project will be completed in Phases?

Yes
 No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project when completed is expected to be \$223,388,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra Gen, LLC in the future, the developer estimates the project, will have retained a value of approximately \$136,501,847.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

La Joya Windpower, LLC intends to construct a wind powered electric generating facility with an expected value greater than \$223,388,000 in Hidalgo County. At a minimum, the Project will result in a wind power facility with an estimated 210 -megawatt nameplate capacity.

La Joya Windpower, LLC estimates that installing the wind turbines will create 150 to 200 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. La Joya further anticipates the creation of eight full-time jobs at each project location for a total of 32 full time jobs for the operation and maintenance of the Project. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Project, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any,

for the area;

- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;
[See page 16-19](#)
- (2) A time schedule for completing the planned improvements; and,
[La Joya Windpower, LLC is anticipating that construction will begin no later than the 4th Quarter of 2019 and will be completed by the 4th Quarter of 2020.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.
Please see: <https://www.ecpartners.com/> and <https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project are located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:

Milt Howard

Milton Howard
Vice President of Development
Terra-Gen, LLC

Date of application submission: 02-14-2019

Exhibit A

Legal Descriptions of Investment Zones Containing Proposed Projects

Please attach a copy of the map of the Counties Zones and the locations of the facilities

Project 3-La Joya Windpower, LLC:

Legal Descriptions for La Joya Windpower, LLC are as follows:

PORCION 42 & 43 IN HIDALGO CO OUT OF W4123.57'-N3683.67' 345.78 AC NET
PORCION 45 W 61.445 LOT 1 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 LOT 2 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 LOT 3 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 4 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 5 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 6 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 LOT 7 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 LOT 8 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 9 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 10 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 LOT 11 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 LOT 12 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 13 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 14 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 15 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 16 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 17 61.45AC GR 56.35AC NET
PORCION 45 W 61.445 AC LOT 18 61.45AC GR 56.35AC NET
PORCION 45 N1012.99'-W1849.50' LOT 19 37.67 AC NET
LOS GUAGES & MAGUELLES E1486.75'-W2973.5' SEC 38 160AC
STRATTON TRACT LT 20 POR 74 75 40.0 AC
STRATTON TRACT LT 21 POR 74 75 40.0 AC
STRATTON TRACT W 60.00 AC LT 22 POR 74 75
STRATTON TRACT LT 30 POR 74 120.0 AC
PORCION 47 W3800.3'-N6718.2'-S OF MILE 7-600AC-3002.5AC TR EXC 4.21ACS IN AN IRR TR 600 AC GR 595.79 AC NET
JUAN L GARZA S1050.2'-R/S LT 17 LT 8 POR 46 EXC E29' 28.60AC NET
PORCION 47 W3890.3'-S6718.2'-N12381.2' EXC 1AC H/S 599AC NET
PORCION 46 AN IRR TR N10931.03' N OF EXPWY 83 530.04AC NET
JUAN L GARZA R/S LT 17 LT 7 POR 46 R/S OF LT 17 69.96 AC
LOS GUAGES & MAGUELLES W1486.75' EXC S932.83'-W1401.62' SEC 38 129.98AC NET
SCHUNIOR S1363.72' SH 11 & W1010.8'-S1123.72' SH 13 171.93AC GR 170.68AC NET A/K/A TR 1
SCHUNIOR N1365.72'-SH 11,S250'-SH 12 & W1010.8'-N1114.88'-S2238.6' SH 13 171.93AC GR 170.68AC NET A/K/A TR 2
SCHUNIOR N1277.17' SH 12 & W3004.94'-S533.72' IRR TR SH 13 171.93AC GR 170.78AC NET A/K/A TR 3
PORCION 42 & 43 AN IRR TR S11, 642.60'-N34, 150.24' - W4123.57 1044.28 AC GR 1040.20 AC NET
PORCION 76 BNG AN IRR IR E1915.11'-W3360.8'-S22915'-N32570' 947AC
STRATTON TRACT S134.12AC-LOT 3 POR 75
PORCION 42 & 43 SE 139.44AC IN HIDALGO CO OUT OF N11,369.02'-W3,963.50' 139.44AC
AB 414 POR 43 A VILLARREAL 7620-00010-01
AB 415 POR 42 D ZAMORA 7630-00010-01
LOS GUAGES & MAGUELLES AN IRR TR E2644'- N2878.44'-SEC 37 203AC GR 201.79AC NET
STRATTON TRACT LT 10 POR 74 75 20.00 AC
STRATTON TRACT LT 13 POR 74 75
STRATTON TRACT LT 14 POR 74 75 20.0 AC
STRATTON TRACT LT 15 POR 74 75 20.0 AC
STRATTON TRACT LT 16 POR 74 75 EXC S457.10' 26.67 AC NET
STRATTON TRACT EXC S457.10' LT 18 POR 74 26.67 AC NET
STRATTON TRACT LOT 7 POR 75 40.0AC
STRATTON TRACT LOT 12 POR 75 40.00AC
STRATTON TRACT LT 17 POR 75 EXC S457.10' 26.67 AC NET
STRATTON TRACT LOT 8 & 11 POR 75 40.00AC
LOS GUAGES & MAGUELLES E1/2 SEC 38 320AC
PORCION 45 S 10 AC OF W 61.445 AC OF LT 22
PORCION 45 W 61.445 LT 23
PORCION 45 E 61.445 AC LT 23
PORCION 45 W 61.445 AC LT 24
PORCION 45 E 61.445 AC LT 24
PORCION 45 W 61.445 AC LT 25
PORCION 45 E 61.445 AC LT 25
PORCION 45 W 61.445 AC LT 26
PORCION 45 E 61.445 AC LT 26
PORCION 45 W 61.445 AC LT 27
PORCION 45 E 61.445 AC LT 27
PORCION 45 W 61.445 AC LOT 28
PORCION 45 E 61.445 AC LT 28
PORCION 45 W 61.445 AC LT 29
PORCION 45 E 61.445 AC LT 29
PORCION 45 W 61.445 AC LOT 30
PORCION 45 E 61.445 AC LT 30
PORCION 45 W 61.445 AC LT 31
PORCION 45 E 61.445 AC LOT 31

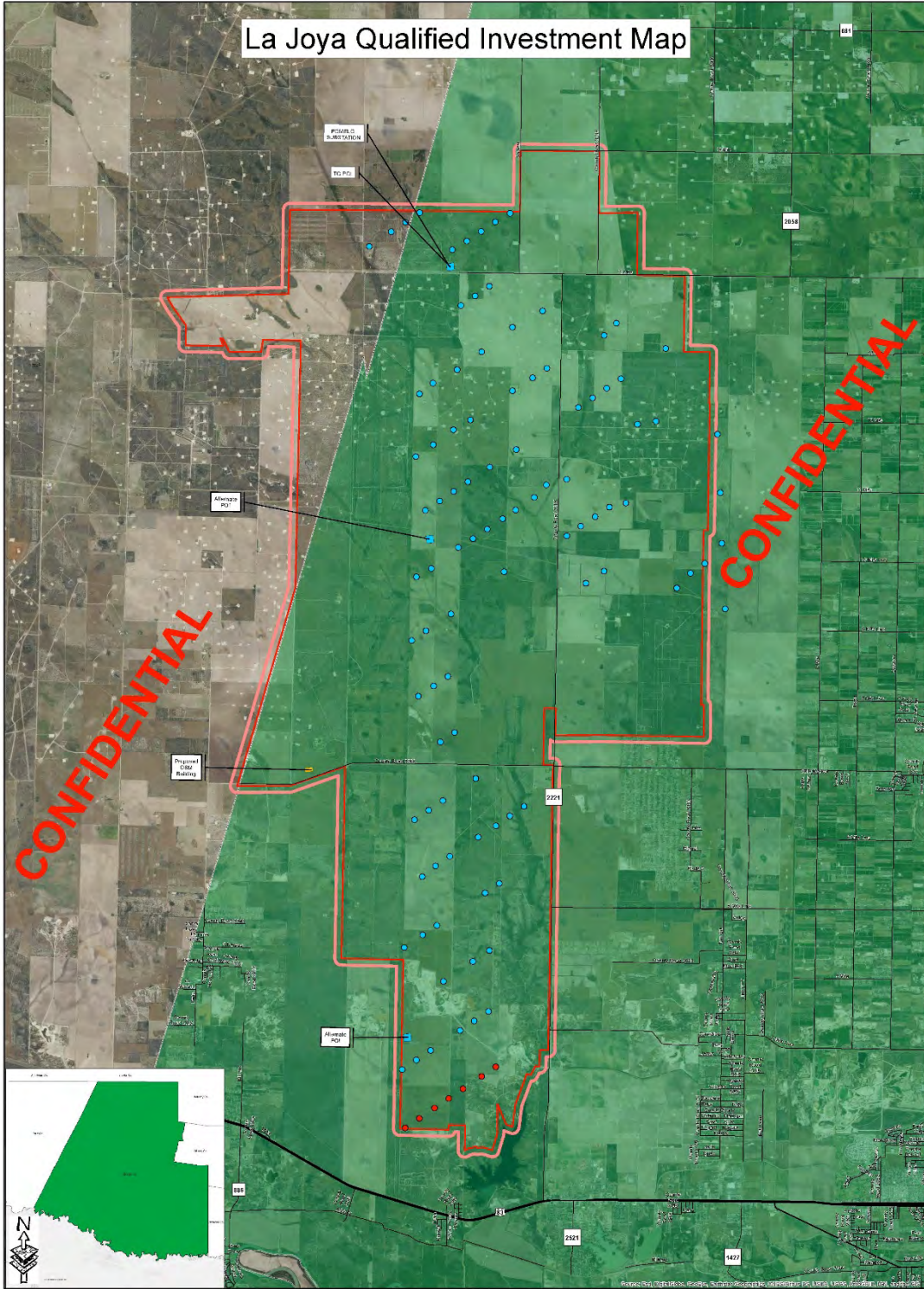
PORCION 45 W 61.445 AC LT 32
PORCION 45 E 61.445 AC LT 32
PORCION 45 W 61.445 AC LOT 33
PORCION 45 E 61.445 AC LT 33
PORCION 45 W 61.445 AC LT 34
PORCION 45 E 61.445 AC LOT 34
PORCION 45 W 61.445 AC LT 35
PORCION 45 E 61.445 AC LOT 35
PORCION 45 W 61.445 AC LT 36
PORCION 45 E 61.445 AC LT 36
PORCION 45 W 61.445 AC LT 37
PORCION 45 E 61.445 LT 37
PORCION 45 W 61.445 AC LT 38
PORCION 45 E 61.445 AC LT 38
PORCION 45 W 61.445 AC LOT 39
PORCION 45 E 61.445 AC LT 39
PORCION 45 W 61.445 AC LT 40
PORCION 45 E 61.445 AC LOT 40
PORCION 45 LT 41 122.89 AC NET
PORCION 42 & 43 AN IRR TR S6967.61'-N18337.08'-
W4038.83' 488.45 AC NET
PORCION 45 E 61.445 AC LT 5
PORCION 45 E 61.445 AC LT 10
PORCION 45 E 61.445 LT 1
PORCION 45 E 61.445 AC LT 6
PORCION 45 E 61.445 AC LT 8
PORCION 45 E 61.445 AC LT 9
PORCION 45 SE 30.722AC LOT 11 29.97AC NET
PORCION 45 E 61.445 AC LT 17


PORCION 45 E 61.445 AC LT 19
PORCION 45 E 61.445 LT 7
PORCION 45 E 61.445 AC LT 20
PORCION 45 E 61.445 AC LT 18
PORCION 45 E 61.445 AC LT 15
PORCION 45 E 61.445 AC LT 21
PORCION 45 E 61.445 AC LT 4
PORCION 45 E 61.445 LT 3
PORCION 45 E 61.445 LT 2
PORCION 45 E 61.445 AC LT 12
PORCION 45 E 61.445 AC LT 13
PORCION 45 E 61.445 AC LT 14
PORCION 45 E 61.445 LT 16
PORCION 46 AN IRR TR S5041'-N12 515'-W3485.6'
595.22AC
PORCION 46 N7 473.8'-W3 568.2' & E106.2'-W3 587.7'-N1
330.7' 600AC NET
SCHUNIOR LT 1 SH 5 164.75 AC
SCHUNIOR LT 2 SH 5 164.75 AC
SCHUNIOR W1/2-164.75AC LOT 3 SH 5 82.37AC
SCHUNIOR E1/2-164.75AC LOT 3 SH 5 82.38AC
SCHUNIOR LT 4 SH 5 164.75 AC
SCHUNIOR W886.33'SH 5 117.61AC GR 117AC NET
PORCION 47 TR 2 496.95 AC EXC 1.0 AC 495.95 AC
SCHUNIOR SH 15 1650.00 AC
SCHUNIOR 441.26AC EXC 1AC 440.26AC NET
TEX-MEX SURVEY ABST 658 1281.34AC - ABST 658 &
211.64AC N OF ABST 658 & S OF LOT 38-39 LOS GUAJES
1492.98AC NET

Exhibit B
Maps of Project Areas

CONFIDENTIAL-PLEASE SEE ATTACHED

La Joya Qualified Investment Map



 	<p>CONFIDENTIAL</p> <p>Legend</p> <ul style="list-style-type: none"> ● V113-348MW V113-CK (2) ● V113-287MW V113-CK (16) ■ O & M BUILDING ■ POI ■ SOFT BUFFER ■ PROJECT BOUNDARY ■ HIDALGO CO. 	<p>Terra-Gen, LLC La Joya Project Phase 1 - 240MW</p>	<p>Map of Hidalgo County, Texas</p> <p>Scale: 0 to 1000 feet</p> <p>North Arrow</p>
	<p>Draft-Subject to change</p> <p>CONFIDENTIAL</p> <p>Prepared by: USA Date: 08/22/13</p>		

- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
 - a. The application shall consist of a completed application form (Exhibit A) accompanied by:
 - b. a general description of the new improvements to be undertaken;
 - c. a descriptive list of the improvements for which Abatement is requested;
 - d. a list of the kind, number and location of all proposed improvements of the property;
 - e. a map and property description; proposed turbine location (if a wind turbine Facility);
 - f. and a time schedule for undertaking and completing the proposed improvements.
 - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.

**The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.

- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

Project Descriptions:

Project 3-La Joya Windpower, LLC:

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College boundaries, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 90 wind turbines, with a combined make up of 83- 2.2 MW wind turbines and 7- 3.45 MW wind turbines and a combined total generating capacity of approximately 203 MW; up to 90 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 90 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the ETT Lobo to Palmetto, 345kV transmission line located in Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction is anticipated to begin no later than the 4th Quarter of 2019 and it is currently anticipated that construction will be complete by the 4th Quarter of 2020.

Descriptive List for which Abatement is being requested:

Project 2-Monte Cristo Windpower, LLC:

Monte Cristo Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within South Texas College boundaries. Additional improvements of Qualified Property include:

- 88 Wind Turbines 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All-weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within South Texas College boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Cristo intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line, located within South Texas College boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Exhibit B shows the proposed project area with the anticipated improvement locations.

Enterprise Zones:

Hidalgo, County is designated enterprise zone county as defined under the Texas Governor’s [“Governor’s Economic Development Finance department online”](#) link provided by Texas Comptroller website under [“The Texas Enterprise Zone Program.”](#) The Governor’s website “Texas Enterprise Zone Program”- [“Economic Zone Program Rules, 10 TAC 176”](#) according to section (b), subsection (11); which defines a distressed county as: “a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data.”

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as “Distressed County” under Texas Government Code Chapter 2303.003 (1-c). Where a “Distressed County” means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Education		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.

Hidalgo County, TX Unemployment Rate Chart

[View Full Chart](#)

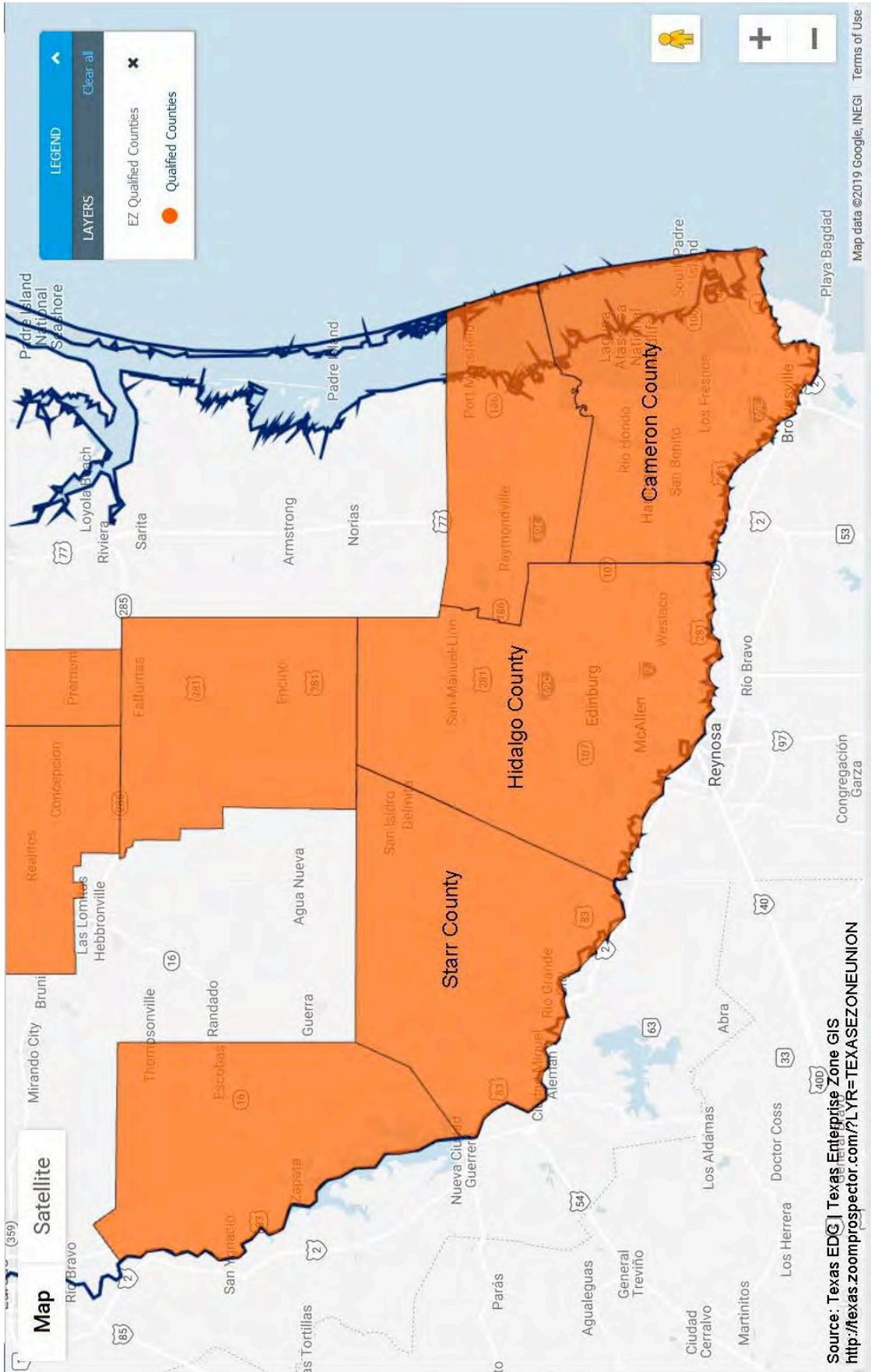
5d 1m 3m 6m YTD 1y 5y 10y Max

Export Data Save Image Print Image



Source: https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate

Enterprise Zone Map



**Tax Abatement Agreement
between
South Texas College and
Monte Alto Windpower, LLC**

State of Texas

County of Hidalgo

This Tax Abatement Agreement (this “Agreement”) is made and entered into by and between South Texas College (the “College”), acting through its duly elected officers, and Monte Alto Windpower, LLC, a Texas limited liability company (the “Owner”) as owner of Eligible Property (as hereinafter defined) to be located on the tract of land within the Hidalgo County Enterprise Zone more specifically described in Attachment A to this Agreement. This Agreement becomes effective upon final execution by both parties (the “Effective Date”).

I. Authorization

This Agreement is authorized and its terms governed by Chapter 312 of the Texas Tax Code, as amended, and by the College’s Tax Abatement Guidelines and Criteria, adopted November ____, 2019. The Agreement remains in effect until fulfillment of the obligations described in Paragraph IV (D) herein, unless terminated earlier as provided herein.

II. Definitions

As used in this Agreement, the following terms shall have the meanings set forth below, and any undefined terms shall be given the meanings provided in the College’s Tax Abatement Guidelines and Criteria.

- A. “Abatement” means the full or partial abatement from ad valorem Maintenance Taxes levied by the College on property in an Enterprise Zone as provided herein, commencing on the date of Final Completion of Construction of the Eligible Property and in no event will the duration of the Abatement period exceed 10 years.
- B. “Act” shall mean Chapter 312 of the Texas Tax Code.
- C. “Calendar Year” means each year beginning on January 1 and ending on December 31.
- D. “Certificate” means a letter, provided by the Owner to the College, certifying that Owner has completed construction of the wind power project or any phase thereof described herein (the “Project”), outlining the Improvements and stipulating the overall Turbine Nameplate Capacity of the Project. Upon receipt of the Certificate, and upon reasonable notice to the Owner, the College may inspect the Site in accordance with this Agreement to determine that the Improvements are in place as certified.

- E. “Certified Appraised Value” means the appraised value, for property tax purposes, of the Facility within the Hidalgo County Enterprise Zone as certified to by the County Appraisal District for each taxable year.
- F. “Eligible Property” means the Facility which has been approved and designated by the College as property eligible for Abatement under the College’s Tax Abatement Guidelines and Criteria, and this agreement as described in Attachment B hereto, including: designated new, expanded or modernized buildings and structures; fixed machinery and equipment; Site Improvements; related fixed improvements; other tangible items necessary to the operation and administration of the Facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria No. _____ adopted September _____, 2018. Maintenance Taxes on Real Property may be abated only to the extent the property’s value for a given year exceeds its value for the year in which the Agreement is executed. Tangible personal property eligible for Abatement shall not include inventory or supplies.
- G. “Facility” means that certain, approximately two hundred and one megawatt (201 MW) wind generation facility, to be developed in Hidalgo County by the Owner.
- H. “Force Majeure” means any contingency or cause beyond the reasonable control of the party claiming Force Majeure including, without limitation, acts of God or a public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of such party), fires, explosions, floods, tornadoes, and strikes.
- I. “Improvements” means Eligible Property as defined herein and includes, but is not limited to, any building, structure, or fixture erected on or affixed to the land. Improvements specifically include the Owner’s substation and switching station if located within Enterprise Zone. Improvements also shall include any other property in the Enterprise Zone owned by Owner and meeting the definition of “Eligible Property” that is used to produce wind power and perform other functions related to the production, distribution and transmission of electric power. The College agrees, without limitation, that the wind turbines, towers, transmission lines, substations, operations & maintenance buildings and other related materials and equipment affixed to the Eligible Property will constitute Improvements under this Agreement.
- J. “Maintenance Taxes” means the College’s maintenance and operations tax, as distinguished from its debt taxes.
- K. “Owner” means Buenos Aires Windpower, LLC, the entity that owns or holds under fee simple title, or one or more leasehold interests, to the Real Property for which Abatement is being granted, and any assignee or successor thereof.
- L. “Real Property” means buildings and structures; Site Improvements and related fixed improvements.

- M. "Enterprise Zone" means Hidalgo County Enterprise Zone, (as that term is defined in Chapter 312 of the Texas Tax Code) created by Hidalgo County Commissioners Court and described in Attachment A to this Agreement.
- N. "Site" means the area of the Enterprise Zone on which Owner makes the Improvements for which the Abatement is granted hereunder.
- O. "Turbine Nameplate Capacity" means the generating capacity of an individual wind turbine as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder and, where appropriate, may refer to the total or overall generating capacity or "MW".

III. Improvements in Enterprise Zone

Owner agrees to construct the following Improvements in consideration for the Abatement set forth herein:

- A. The Owner anticipates that it will begin construction of the Improvements on or about January, 2021 (the "Commencement Date") and that upon completion, the improvements will have an estimated appraised value of \$342,000,000.
- B. The Improvements are described in Attachment B attached hereto and are generally referred to as ___ wind turbines with a turbine _____ capacity of _____.
- C. Owner shall complete construction of the Improvements no later than twelve months from the Commencement Date.

IV. Term and Percentage of Tax Abatement; Taxability of Property; Recoupment

- A. The College and Owner specifically agree and acknowledge that the Facility in the Enterprise Zone shall be taxable in the following ways before and during the term of this Agreement:
 - 1. Owner's property not eligible for Abatement, if any, shall be fully taxable at all times;
 - 2. Prior to commencement of the Abatement period designated in Paragraph IV(B)(1.), 100% of property taxes levied on the Certified Appraised Value of real and personal property owned by Owner and located in the Enterprise Zone will be owed and taxes thereon payable by Owner;
 - 3. College property Maintenance Taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts provided for by Paragraph IV(B) below; and

4. One Hundred percent (100%) of the Certified Appraised Value of Eligible Property existing in the Enterprise Zone shall be fully taxable after expiration of the Abatement period designated in Paragraph IV(B).
- B. The College and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement of Owner's property Maintenance Taxes under the conditions set forth herein:
1. In consideration of the Owner's obligation herein and its payment of annual pilot payments in lieu of payment of Maintenance Taxes, there shall be granted and allowed hereunder a property tax abatement of Maintenance Taxes on the approved Eligible Property and/or Improvements constructed, expanded, or acquired hereunder on the Property at a rate of one hundred percent (100%) for ten years, commencing on January 1 of the tax year next after the date that College President receives and approves the Certificate of Completion for the Improvements.
 2. As an inducement for the College to enter into the Agreement, the Owner shall make certain payments in lieu of taxes ("**PILOT**") as further described in Paragraph IV(D) below.
 3. The foregoing percentage of property Maintenance Taxes on the Certified Appraised Value of all Eligible Property and/or Improvements approved by the College and described in the Certificate (and actually in place in the Enterprise Zone) are abated in the respective period designated above up to the maximum taxable value approved in this Agreement.
 4. There shall be a \$2,500 application fee. (see Guidelines)
- C. Part or all of the Improvements may be eligible for complete or partial abatement, now or in the future, from maintenance ad valorem taxes as a result of existing law or future legislation. Should any such existing abatement not have been addressed herein or should any new abatement be proposed or adopted by the Texas Legislature, (a) Owner may request a modification of this Agreement, and (b) College may reconsider the effect of such abatement on its property maintenance taxes, and may amend the Agreement accordingly to the extent that the abatement as applied to the Eligible Property would materially reduce the College's tax benefits as anticipated in this Agreement. This Agreement is not to be automatically construed as evidence that such abatements shall automatically apply to the Improvements. If additional improvements are undertaken By Owner during the Abatement period and exceed in the aggregate five percent (5%) of the Certified Appraisal Value as of the effective date of this agreement; no additional abatement shall be permitted without approval by College.

D. As partial consideration for granting of tax abatement in Paragraph IV(B) hereof, the Owner agrees to make the following payments to the College. On December 31 of each year of the first ten years of tax abatement, commencing in the year 2022, the Owner shall pay the College the following payments as annual payment in lieu of abated taxes:

Year 1- 10 - \$10,000.

In the event the amounts due under this Paragraph IV(D) are not paid by December 31 of the year in which they are due, the College shall notify the Owner that such payments are due and owing by January 15 of the following year. Delinquent payments shall accrue penalty and interest as provided in the Texas Tax Code commencing thirty days after receipt of notice of such delinquency from the College. A continuing breach hereunder may subject Owner to a default.

In consideration of the Owner's performance of its obligations under this Agreement, the College agrees that the Owner shall receive a tax abatement during the Incentive Period for the College's Maintenance and Operation's ad valorem personal property taxes (NOT INCLUDING THE COLLEGE'S INTEREST AND SINKING FUND TAX RATE NECESSARY TO FUND THE COLLEGE'S DEBT OBLIGATIONS SUPPORTED BY PROPERTY TAX LEVIES) relative to the Added Value of the Eligible Property located on the Site, as follows:

Percent of College Taxes to be Abated:

Year 1	M&O	50%
Year 2	M&O	50%
Year 3	M&O	50%
Year 4	M&O	50%
Year 5	M&O	50%
Year 6	M&O	50%
Year 7	M&O	50%
Year 8	M&O	50%
Year 9	M&O	50%
Year 10	M&O	50%

The Owner (or an Affiliate) shall pay to the College \$10,000 in each Operational Year during the abatement period (a "**PILOT Amount**"), unless increased pursuant to Section IV (D) hereof.

The PILOT amount shall be paid in ANNUAL installments no later than December 31, of each Operational Year during the abatement period (the "**PILOT Payments**").

As partial consideration for granting of tax abatement in Paragraph IV(V) hereof, the Owner agrees to contribute a one-time amount of \$30,000 to the South Texas

College General Scholarship Fund; such contribution is due and payable with forty-five (45) days after the date the agreement is executed.

- E. Owner agrees, warrants and represents that the Improvements described in Paragraph III hereof, once constructed, will remain in place until at least twenty (20) Calendar Years after the date the Certificate for such Improvements is provided to the College by the Owner (“Term”); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date, as long as such replacement does not result in a reduction of the Certified Appraised Value of the Improvements. In the event that Owner removes Improvements (comprising in the aggregate amount of more than 5% of all Improvements), the Owner’s removal shall not be deemed a default under this Agreement if Owner pays to the College liquidated damages for such removal (a) within thirty (30) days after demand, amounts equal to the pro rata portion of maintenance and debt taxes relating to such removed Improvements which otherwise would have been paid to the College through the date of such removal without the benefit of a tax abatement, and (b) during the remaining term of the abatement period, payable by Owner and recoupable by College, an amount equal to the maintenance and debt taxes which would otherwise be payable to College on the projected Residual Value of the Property less the Removed Improvements at the maintenance and debt rates then in effect on the date of the removal of Improvements. Notwithstanding the amendment to address the reduction in taxable value, College may assert its right to recoup abatements based on the lesser residual value of the Eligible Property after the abatement period. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), THE SOLE REMEDY OF THE COLLEGE, AND OWNER’S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COLLEGE THE FULL AMOUNT OF ACTUAL TAXES ABATED DURING EACH YEAR OF DEFAULT UNDER THIS AGREEMENT AND PRO RATA PORTION OF THE DEBT TAXES WHICH WOULD OTHERWISE HAVE BEEN PAID WITHOUT REMOVAL OF THE PORTION OF THE IMPROVEMENTS FOR THE TEN YEAR ABATEMENT TERM. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

V. Representations

The College and Owner make the following respective representations:

Owner has all necessary right, title, license and authority to enter into this Agreement and the execution and performance of this Agreement by Owner have been duly authorized by all necessary laws, resolutions and corporate or other entity action.

- A. Owner has submitted evidence to the College that the economic life of the Facility and Eligible Property exceeds the duration of the tax abatement period for at least ten (10) years. Based on such evidence and the representations by Owner, the College has determined, in accordance with the Guidelines and Criteria that the

economic life of the Facility and Eligible Property exceeds the duration of the tax abatement granted herein. This is an essential term of this Agreement as College is relying on the Residual Value of the Property to grant the abatement.

- B. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have the taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements described in Paragraph III will be performed by the Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's, its successors' and assigns', use of the property in the Enterprise Zone is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the area during the period of the Abatement, (iv) all representations made in this Agreement and in the Application for Abatement, are incorporated herein, are true and correct in all material respects to the best of Owner's knowledge, and (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future.
- C. The College represents that (i) this Agreement has been entered into in accordance with Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria as both exist on the effective date of this Agreement; (ii) no interest in the Improvements or the land on which they are located is held or subleased by an officer of the College or a member of the College Board of Trustees, (iii) the property within the Enterprise Zone is located within the legal boundaries of the College; and (iv) the College has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement.
- D. At least 24 hours prior to Owner issuing a press release relating to the Project announcing the commencement of commercial operation, Owner shall email or fax a copy of such press release to the College. The College shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.
- E. Owner represents and agrees that, if built, the Project will, within the proposed time lines, (i) add at least \$342,000,000 Dollars (\$342,000,000) to the tax roll of Eligible Property, (ii) create no fewer than six (_6_) new, permanent, full-time jobs in Hidalgo County, and (iii) lead to a positive net economic benefit to Hidalgo County of at least _____ Dollars (\$_____) over the life of this Agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement.
- F. Owner acknowledges that the College has relied on Owner's representations made in its application for Tax Abatement and in this Agreement. In particular, College has relied on the Owner's representations as to the projected taxable Residual Value of the Property remaining after the ten-year tax abatement period. Notwithstanding anything to the contrary in this Agreement, the abatement granted by the College is expressly made subject to Owner's estimated

projections of the remaining taxable values of the Property after the abatement period.

VI. Access to and Inspection of Property by College Employees

- A. Upon completion and commencement of operation of the Facility, Owner shall file (i) “as built” construction plans with College, which plans shall detail improvements (which shall be certified to by the engineer(s)), including purchases of personal property and related expenditures undertaken to construct the Facility, (ii) the manufacturer’s certificate of completion with respect to the manufacture of the wind turbines installed at the Facility and (iii) the general contractor’s certification as to the completion of construction of the Facility (including the detail specified above). At the time of filing the as-built construction plans, Owner shall also provide College with reports as required by Section IX.B. of the Guidelines and Criteria (which are incorporated herein). On or before January 31, of each year of the Abatement Period (and the year immediately following the end thereof), Owner shall provide College with reports supporting job creation as of December 31 of each year of the Abatement Period, as required by Section IX.B. of the Guidelines and Criteria. On an annual basis, Owner shall also provide College a detailed list of Owner’s eligible personal property at the Facility and the estimated value of each item.
- B. Owner shall allow the College employees or designees of the College access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner forty-eight (48) hours’ notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with at least one (1) representative of Owner in accordance with all applicable safety standards.
- C. Owner shall, within ninety (90) days of the beginning of each Calendar Year, certify annually to the College its compliance with this Agreement by providing written testament of the same to the College Board of Trustees.
- D. Owner agrees to supply audited reports to the College and the Hidalgo County Appraisal District to establish the construction cost of improvements constructed pursuant to this Agreement and/or the jobs created. In its annual report to the College, the Owner shall include the Appraisal District’s preliminary valuations, Owner’s challenges to appraised values undertaken by Owner, and final appraised values; financial statements, including balance sheets and subsidiary ledgers of its tangible real and personal property in the Enterprise Zone.

VII. Default, Remedies and Limitation of Liability

- A. In the event Owner fails to commence construction of the Facility in the Enterprise Zone on or before January, 2021, this Agreement shall terminate effective as of the original date of this Agreement and College shall be entitled to

recapture and collect payment of all ad valorem taxes abated under this Agreement by any and all means allowed by law, and as provided herein.

- B. In the event the Facility is completed and begins operation, and Owner:
1. voluntarily ceases to operate the Facility for a continuous period exceeding eighteen (18) months;
 2. allows ad valorem taxes owed to College to become delinquent;
 3. relocates the Facility or the job creating activity outside the Enterprise Zone;
 4. breaches or fails to comply with any material term, condition, or representation contained in this Agreement; or
 5. uses or allows the use of the Facility for any purpose not related to the generation, storage and/or transmission of renewable energy for a period greater than 180 days in any calendar year of the abatement period,

College may elect to terminate this Agreement and recapture abated taxes in accordance with Section V. of this Agreement and the Guidelines and Criteria, unless such breach is cured within the Cure Period, as defined in Section _____. Owner shall pay recaptured taxes to College within sixty (60) days from the date the Agreement terminates.

- C. Should College determine that Owner has breached this Agreement or the Guidelines and Criteria, College shall notify Owner in writing via certified or registered mail.
- D. No party may terminate this Agreement unless (i) such party provides written notice in accordance with Paragraph X hereof (a "Notice") to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (x) excused by the occurrence an event of Force Majeure or (y) cured by the other party within sixty (60) days after Notice thereof, or if such failure cannot be cured within a sixty (60)-day period, the other party shall have such additional time to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continued to diligently and timely pursue the completion of such remedial action. Notwithstanding the preceding portions of this paragraph, if any default arises from a violation of law resulting from a change in law, or a change in the interpretation or enforcement of law, by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to cure such default prepared by such defaulting party and delivered to the other party. If Owner believes that such termination was improper, Owner may file suit in the proper court challenging such termination. In the event of default which remains uncured after all applicable notice and cure periods, the College may pursue the remedies provided for in Paragraph IV(I).

- E. The College shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure.
- F. Except as provided in paragraph IV(I), the Parties shall not deem any default to have occurred in situations involving minor or immaterial (as reasonably determined) changes to the description of the Site, minor or immaterial (as reasonably determined) changes to the description of the Improvements and/or Eligible Property, or any changes in ownership or in management of Owner or of the Project (so long as Owner or any Related Entity provides notice as provided for herein of such changes to the extent such notice is otherwise required under this Agreement) and so long as any and all successors of any interest whatsoever of Owner in this matter, expressly accept all terms and conditions of this entire Abatement Agreement.
- G. The College shall notify Owner and any Owner lender, tax equity provider, or hedge provider of which the College has notice, of any default in writing in the manner prescribed herein. All contact information for purposes of a notice of default shall be provided to the College Board of Trustees and shall be updated annually on or before January 1st of each year. The notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified above to cure any default. Any Owner lender of which the College has notice shall have the right to cure any defect or default, including any defect caused by an assignee or contractor of Owner, during the same cure periods provided for Owner under this Agreement. The notice of default shall be substantially in the form set out in paragraph VII(L).
- H. Owner shall have sixty (60) days from the date of College's notice to cure any default (unless fulfillment of any obligations requires activity over a period of time, in which case performance shall be commenced within sixty (60) days after the actual receipt of notice and such performance shall be diligently continued until the default is cured). The decision whether to cure any such default solely and absolutely belongs to Owner, and no party may compel Owner to cure.
- I. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided for by this Agreement, the College shall be entitled to cancel the Agreement and all future tax abatements under this Agreement shall be void, and the College shall have the right to recoup its tax abatements.
- J. **RECAPTURE.** College may be entitled to recapture property tax revenue lost as a result of the exercise of remedies under this Agreement. The amount of property tax revenue that may be recaptured is set forth below:
 - (1) If entitled under Article VII(B) to recapture property tax revenue lost as a result of this Agreement, College shall have the right to recapture up to one hundred percent (100%) of taxes already actually abated under this Agreement (i.e., recapture for prior tax years only – no anticipatory/prospective recapture of future taxes).

(2) If termination occurs during the Term of Abatement, then Owner shall have sixty (60) calendar days from its date of notice of demand from College to recapture under Article VII(H) to pay all recaptured property tax revenues.

(3) Any recapture under this Article VII(H) shall be subject to any and all lawful offsets, settlements, deductions, and credits to which Owner may be entitled.

- K. Owner and College agree that any litigation of any kind whatsoever that is or may be necessary to be filed to protect any interest of any party with any interest herein, arising from or under this agreement, shall be filed, if at all, and shall only be maintained, exclusively in a State of Texas court of competent jurisdiction in Hidalgo County, Texas, and no other legal forum or venue whatsoever. This legal venue stipulation expressly includes the prohibition of removal of any litigation based in whole or in part upon federal statutes, rights, or causes of action. Further, any administrative or legal protest or any other legal challenge procedure(s) permitted by law to be undertaken by Owner in connection with taxes due and owing pursuant to this Abatement Agreement shall not release, delay or relieve Owner from making and meeting any and all additional and other financial commitments, payments and obligations it has agreed to make and is undertaking pursuant to all and other terms of this Abatement Agreement. During the pendency of any suit (including any appeals thereto), Abatement shall remain in effect as though no event of default had occurred and Owner shall continue to pay any disputed amounts to the College; provided, that upon final adjudication of the matter, if Owner is the prevailing party, such disputed amounts, if applicable, shall be returned to Owner.
- L. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COLLEGE. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY DAYS OF THE DATE OF THIS NOTICE OR OTHERWISE CURE THE DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND IF THE DEFAULT INVOLVED FAILURE TO MAKE IMPROVEMENTS UNDER THE AGREEMENT, MAY INCLUDE RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the College, Hidalgo County, or the State of Texas.

IX. Assignment of Agreement

- A. Owner shall not have the right, without the written consent of College, to assign all or part of its interest in the Land, the Facility, or this Agreement and maintain the tax abatement hereunder. Such consent shall not be unreasonably withheld. It shall be deemed reasonable for College to withhold consent with respect to any party that is delinquent in the payment of any taxes to College or the failure of Owner or a proposed assignee or transferee to provide reasonable and sufficient assurances that the College's expectations as to Residual Value arising from the Agreement will be satisfied. Notwithstanding the foregoing, Owner shall have the right without the consent of the College to collaterally assign its interest in the Land, Project, or this Agreement to a creditor in connection with any financing of the Project; provided (i) such assignee is not delinquent in the payment of any taxes to the College, (ii) the College is given prompt notice of such assignment and (iii) Owner expressly remains liable under this Agreement.
- B. In this regard, Owner acknowledges that the annual reporting imposed by this Agreement is an essential requirement and term of this Agreement.
- C. Any assignment of this Agreement shall require that all conditions and obligations in this Agreement shall apply to and be binding upon assignee. Upon such assignment and assumption, only if expressly approved by the College will Owner have no duties or obligations under the Agreement.
- D. No assignment shall be allowed if (a) the College has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (b) the assignee is delinquent in the payment of any amount or report required under this Agreement or ad valorem taxes owed to the College or any other taxing jurisdiction in Hidalgo County.

X. Notice

All notices, demands, or other communications of any type (collectively, "Notices") given shall be given in accordance with this Paragraph. All Notices shall be in writing and delivered, by commercial delivery service, to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading; or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall notice be deemed delivered later than actual receipt. In the event of a notice of default given

pursuant to Paragraph VII, such notice shall be given by at least two (2) methods of delivery and consistent with Paragraph VII(I). All Notices shall be mailed or delivered to the following addresses:

To the Owner: Monte Alto Windpower, LLC
Attn: Milton Howard, Vice President of Development
11455 El Camino Real, Suite 160
San Diego, CA 92130
(858) 764-3745
MHoward@terra-gen.com

With Copies to: Damon Huplosky, Managing Director
437 Madison Avenue
New York, NY 10022-7001
(646) 829-3915
Dhuplosky@terra-gen.com

To the College: South Texas College Board of Trustees
3201 West Pecan
McAllen, Texas 78501
Attention: Dr. Shirley A. Reed, President

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any paragraph or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law

This Agreement shall be construed under the laws of the State of Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in

this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the College Tax Abatement Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the College Tax Abatement Guidelines and Criteria, those Guidelines and Criteria are deemed amended for purposes of this Agreement only.

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the College and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

XVI. Coordination of Local Hiring and Services

Owner shall use reasonable commercial efforts to maximize its use of Starr and Hidalgo County labor and services and supplies purchased from Starr and Hidalgo County businesses in the course of performing under this Agreement.

XVII. Provision of Health Insurance

As of the date this Agreement becomes effective, and until the earlier to occur of (i) the end of the tenth (10th) year of Abatement or (ii) the date this Agreement is terminated as provided herein, Owner shall provide health insurance to its full-time employees working in Starr and Hidalgo County. Owner also agrees to use commercially reasonable efforts to require that the prime engineering, procurement and construction contractor working on the Project provides health insurance to its full time employees.

XVIII. Attorney Fees

The Owner agrees to reimburse the College for its reasonable attorneys' fees incurred in the negotiation and preparation of this Agreement, up to a maximum amount of Twenty Thousand Dollars (\$20,000).

(Signature Page Follows)

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the College as authorized by the College Board of Trustees and executed by the Owner on the respective dates shown below.

South Texas College

DATED: _____, 2019

South Texas College Board of Trustees

Paul R. Rodriguez, Chair

Rose Benavidez, Vice Chair

Attest:

Roy de León, Secretary

Buenos Aires Windpower, LLC

By: _____
Milton R Howard, Vice-President of Development

Attachment A

Attached is a description and location of the proposed Eligible Property

Attachment B

Eligible Property

**A RESOLUTION AND ORDER APPROVING TAX ABATEMENT
AGREEMENT BETWEEN BUENOS AIRES WINDPOWER, LLC AND
SOUTH TEXAS COLLEGE - HIDALGO COUNTY, TX**

WHEREAS, Hidalgo County, Texas (“the County”) designated the Hidalgo County Enterprise Zone (“the Zone”) by order of the Commissioners’ Court of Hidalgo County, Texas dated _____, 2019;

WHEREAS, BUENOS AIRES WINDPOWER, LLC contemplates making certain improvements to the real property located within the Zone consisting of a wind powered electric power generating facility (the “Wind Power Project”)

WHEREAS, a request for the tax abatement has been submitted with the College and that the request meets the requirements of the Guidelines and Criteria for Granting Tax Abatement in Hidalgo County Enterprise Zone in the Hidalgo County, Texas;

WHEREAS, the Board of Trustees of South Texas College has elected to become eligible to participate in tax abatements; and

WHEREAS, BUENOS AIRES WINDPOWER, LLC and SOUTH TEXAS COLLEGE have agreed upon the terms of a Tax Abatement Agreement;

**NOW THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES
of SOUTH TEXAS COLLEGE:**

1. That the tax abatement agreement in substantially the form attached hereto as Exhibit A (“Tax Abatement Agreement”) and made a part hereof is hereby approved pursuant to the South Texas College Guidelines and Criteria for Granting Tax Abatements, and
2. That the Chairman of the Board and the Secretary of the Board are hereby authorized to enter into, Execute and deliver the Tax Abatement Agreement on behalf of South Texas College.

PASSED AND APPROVED at this public hearing of the Board of Trustees, at which a quorum was present, on the _____ day of _____, 2019.

Mr. Roy de León, Chairman

Date: _____

ATTESTED: _____
Mr. Paul Rodriguez, Secretary

Date: _____

Exhibit A
Tax Abatement Agreement