



To: Allentown School District
31 S. Penn Street
Allentown, PA 18102

From: McClure Company, 4101 N 6th Street, Harrisburg, PA 17110

Date: December 15, 2023

Subject: **Guaranteed Energy Savings Contract Amendment Report**

Dear Allentown School District Administrators,

Notice is hereby given pursuant to provisions of the Pennsylvania Public School Code of 1949, as amended; the Pennsylvania Sunshine Act of 1986, July 3, P.L. 388 No. 84, as amended; and the Guaranteed Energy Savings Act, Act 57 of 1998, Act 77 of 2004, Act 39 of 2010 and Act 163 of 2016 in Title 62, Chapter 37, Subchapter E, that the Allentown School District (District) will approve and accept a Guaranteed Energy Services Agreement Amendment (the "Amendment") from McClure Company (McClure), subject to acceptable review by the District's solicitor. This report (the "Report") is available for public review, as required by law, for public inspection. The Report summarizes estimates of all costs of installation, maintenance, repairs, and debt service and estimates of the amounts by which energy or operating costs will be reduced.

Project Implementation Costs

- Total Project Construction Cost = **\$ 2,000,000**
- Total Amount Financed = **\$ 0**

The District intends to finance the Amendment through partial use of funding from the American Recovery Plan (ARP)/Elementary and Secondary School Emergency Relief (ESSER) programs. Any amount to be financed is subject to change based on the District's financial advisor's recommendations and approval by the Board of Education. Issuance costs and other factors will be fully analyzed by the District and their financial advisor to determine the most beneficial financing package.

Estimated Energy and Operational and Savings

- Total 20 Year Energy and Operational Savings = **\$ 22,344**
- Total 20 Year Capital Avoided Outlays = **\$ 1,995,000**
- **Total 20 Year Cumulative Savings = \$ 2,017,344**

General Scope of Work/Energy Conservation Measures for Total Construction Costs

- Replacement of Harrison-Morton Middle School HVAC Equipment, including indoor air quality improvements

Proposed contractors and subcontractors by trade for work listed above:

- Construction Management – McClure Company, Harrisburg, PA
- Automatic Temperature Controls – PQ Energy Services, Incorporated, Easton, PA

The District has elected to fund the implementation of the EC Measures and other services, as applicable, independent of this Agreement. The Cash Flow shown within this Schedule is shown for illustrated purposes only in terms of agreed upon annual energy, operational and avoided capital savings. The Client is determining the most economical funding arrangement that best aligns with the annual savings.



**Allentown School District
Allentown, PA
Guaranteed Energy Savings Agreement
Project Proforma Cash Flows
20 Year Term**

| | | | | |
|--------------------------------|--------------------|--------------------------------|------------------|-------|
| Total Project Cost | 2,000,000 | One Time Escalation | Electric | 0.0% |
| Less: Customer Equity | <u>(2,000,000)</u> | Annual Escalation Rates | Electric | 3.00% |
| Total Amount Financed | - | | Oil, Gallons | 3.00% |
| First Year Energy Savings | 817 | | Propane, Gallons | 3.00% |
| First year Operational Savings | <u>-</u> | | Natural Gas, CCF | 3.00% |
| Total First Year Savings | 817 | | Tons, Coal | 3.00% |
| | | | Water | 3.00% |
| | | | Maintenance | 3.00% |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--------|----------------|---------------------|---------------|-------------------------|--------------|-----------------------|-------------|---------------------|---|
| Year | Energy Savings | Operational Savings | Total Savings | Avoided Capital Outlays | Debt Service | Performance Assurance | Net Savings | Accumulated Savings | |
| const. | 397 | | 397 | | | | 397 | 397 | |
| 1 | 817 | - | 817 | 99,750 | - | - | 100,567 | 100,963 | |
| 2 | 841 | - | 841 | 99,750 | - | - | 100,591 | 201,555 | |
| 3 | 867 | - | 867 | 99,750 | - | - | 100,617 | 302,171 | |
| 4 | 893 | - | 893 | 99,750 | - | - | 100,643 | 402,814 | |
| 5 | 919 | - | 919 | 99,750 | - | - | 100,669 | 503,483 | |
| 6 | 947 | - | 947 | 99,750 | - | - | 100,697 | 604,180 | |
| 7 | 975 | - | 975 | 99,750 | - | - | 100,725 | 704,905 | |
| 8 | 1,005 | - | 1,005 | 99,750 | - | - | 100,755 | 805,660 | |
| 9 | 1,035 | - | 1,035 | 99,750 | - | - | 100,785 | 906,444 | |
| 10 | 1,066 | - | 1,066 | 99,750 | - | - | 100,816 | 1,007,260 | |
| 11 | 1,098 | - | 1,098 | 99,750 | - | - | 100,848 | 1,108,108 | |
| 12 | 1,131 | - | 1,131 | 99,750 | - | - | 100,881 | 1,208,989 | |
| 13 | 1,165 | - | 1,165 | 99,750 | - | - | 100,915 | 1,309,903 | |
| 14 | 1,199 | - | 1,199 | 99,750 | - | - | 100,949 | 1,410,853 | |
| 15 | 1,235 | - | 1,235 | 99,750 | - | - | 100,985 | 1,511,838 | |
| 16 | 1,273 | - | 1,273 | 99,750 | - | - | 101,023 | 1,612,861 | |
| 17 | 1,311 | - | 1,311 | 99,750 | - | - | 101,061 | 1,713,921 | |
| 18 | 1,350 | - | 1,350 | 99,750 | - | - | 101,100 | 1,815,021 | |
| 19 | 1,391 | - | 1,391 | 99,750 | - | - | 101,141 | 1,916,162 | |
| 20 | 1,432 | - | 1,432 | 99,750 | - | - | 101,182 | 2,017,344 | |
| | 22,344 | - | 22,344 | 1,995,000 | - | - | 2,017,344 | | |

Notes by column:

- (1) Contract Year as defined in the Agreement.
- (2) Projected Energy Use Savings are escalated at the rates listed above
- (3) Projected Operational Savings are escalated at 3% per year. See O&M Breakdown Sheet for more detail.
- (4) Columns (2) plus (3)
- (5) Capital Expenditures avoided by completing proposed Project.
- (6) Estimated payment to financing entity based on financing \$0 at 3.5% for a 20 year term.
- (7) Ongoing Fees for Measurement & Verification
- (8) Annual savings equals columns (4) plus (5) less (6) less (7)
- (9) Accumulated savings