



"A place where learning has no limits and together we work for the success of all."

June 21, 2019

Anthony E. Smith
Secure Futures
11 East Beverley Street, Suite 19
Staunton, Virginia 24401

Re: RFP#070618
Solar Services for Harrisonburg City Public Schools

Dear Dr. Smith:

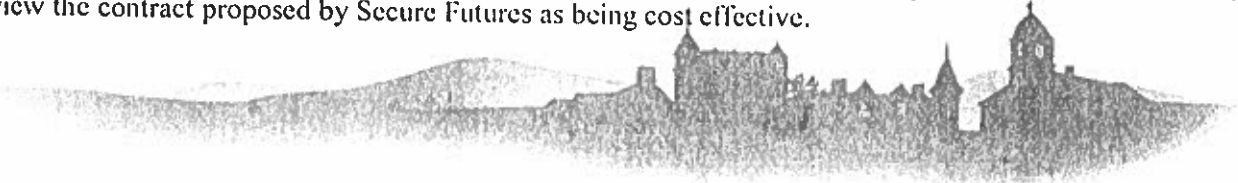
This letter is in response to your June 17, 2019 email to me in which you request that Harrisonburg City Public Schools along with Secure Futures "agree that HCPS could release its letter of June 7 with the notice to terminate from further discussions at this time, and that [Secure Futures] could release [its] letter dated June 12 expressing regrets and best wishes, with no further comment from either party." The School Board cannot enter into any such "agreement" because your June 12, 2019 letter contains the following statement which the School Board believes is inaccurate:

We fully support the felt urgency by the School Board and the Harrisonburg community to save millions of dollars in avoided energy costs by implementing renewable energy solutions at no capital or maintenance cost to the schools.

The School Board did not see "millions of dollars in avoided energy costs" in the contract submitted by Secure Futures. In fact, it appeared that the cost of the solar energy would be considerably more than the estimated cost of electricity to be supplied by the Harrisonburg Electric Commission over the 25 year term of the proposed contract. I note that you have repeatedly represented that the solar project, as proposed by Secure Futures, would save Harrisonburg City Public Schools considerable money. However, Secure Futures was unwilling to include a warranty to that effect in the proposed contract.

You are correct that the proposed contract did not involve expenditure of immediate capital costs. However, the proposed contract had the effect of "financing" the capital cost of the solar equipment given the 25 year contract term. There were also maintenance costs in the contract given that the School Board would have been required to make payments to Secure Futures for maintaining solar equipment that Secure Futures would own. In fact, those payments appeared to greatly exceed the true cost of maintaining the equipment, further supporting that the proposed contract was more like a financing contract than a true service contract. There is nothing wrong with the contract being like a financing contract. However, it appeared to the School Board that other public financing methods could be used to achieve the same goal at a lower cost.

The School Board is not aware of any "urgency" in regard to installing solar energy. The School Board believes there are many benefits to installing solar energy in its schools. The School Board intends to continue looking for a cost effective way to use solar energy. Unfortunately, the School Board did not view the contract proposed by Secure Futures as being cost effective.

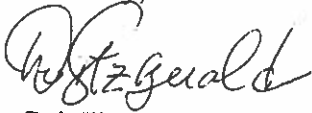


The School Board's legal counsel is of the opinion that your June 12, 2019 letter is open to inspection by the public under the Virginia Freedom of Information Act ("FOIA") and the Virginia Public Procurement Act. He is also of the opinion that this letter is open to inspection. If Secure Futures disagrees with the foregoing, then please have its legal counsel provide the School Board's legal counsel with any legal authority that it contends would prevent disclosure of these letters. Given the community interest in the solar project, the School Board anticipates that a FOIA request is very likely to be received in the near future. The School Board is willing to consider Secure Future's position on all documents that it believes are exempted from public inspection. The School Board will otherwise notify Secure Futures of any FOIA requests and the documents that the School Board intends to make available for public inspection. Such a process will afford Secure Futures with an ability to protect its rights under FOIA and the Non-Disclosure Agreement.

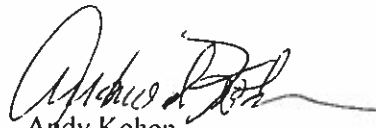
In a June 13, 2019 email that you sent to me, you inquired as to whether the School Board would be willing to develop a joint communication plan in regard to notifying the public of the terminated contract discussions. The School Board prefers not to develop a joint communication plan. If any inquiries are made concerning the status of the Solar Services RFP, the School Board and HCPS staff can simply respond that the RFP and any negotiations related thereto have been cancelled.

Due to a number of reasons, including those mentioned in this letter, the contract proposed by Secure Futures did not appear to be in the best interest of the School Board and the City of Harrisonburg. Nevertheless, the School Board greatly appreciates Secure Futures' efforts to try to make the solar project come to fruition.

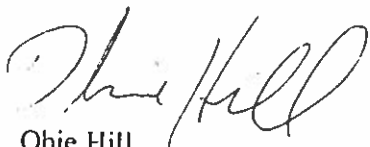
Sincerely,



Deb Fitzgerald
Board Chair



Andy Kohen
Board Vice Chair



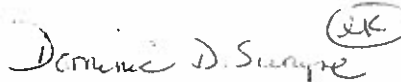
Obie Hill
Board Member



Kristen Loffin
Board Member



Kaylene Seigle
Board Member



Nick Swayne
Board Member

cc: Eric W. Hurlocker, Esquire
Kevin M. Rose, Esquire