

CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

OPERATING PROCEDURES

PURSUANT TO

Section 16-245n of the  
Connecticut General Statutes

DRAFT

Adopted December 16, 2011

## **I. DEFINITIONS**

Definitions of terms used in these Operating Procedures are as stated in the Authority's Bylaws or in Section 16-245n of the General Statutes.

Clean Energy Project: An activity that (i) promotes investment in clean energy; (ii) fosters the growth, development, and commercialization of clean energy sources and related enterprises; (iii) stimulates demand for clean energy and deployment of clean energy sources that serve end use customers in this state; or (iv) supports the development of advanced technologies that reduce energy use from traditional sources. For purposes of this definition, "clean energy" has the meaning as provided in Connecticut General Statutes § 16-245n(a), as may be amended from time to time.

## **II. GENERAL PURPOSES**

The general purposes of the Clean Energy Finance and Investment Authority shall be as prescribed in Section 16-245n of the General Statutes, and in a resolution of purposes adopted by the Board pursuant to Section 16-245n(d)(1) of the Connecticut General Statutes, including implementation of the Comprehensive Plan (all together referred to in these Operating Procedures as "the purposes of the Authority").

### **III. GOVERNANCE**

The Authority, a quasi-public authority of the State of Connecticut, shall be governed by a Board of Directors comprised of a number and appointed in a manner as prescribed in Section 16-245n(e) of the General Statutes. The affairs of the Board shall be conducted in accordance with applicable law, the Authority's Bylaws, and such policies with respect to corporate governance as may be adopted by the Board.

### **IV. ADMINISTRATION**

The affairs of the Authority shall be administered in accordance with applicable law, the Bylaws, these Operating Procedures and other administrative policies as may be adopted by the President in consultation with the Board. The Board shall appoint a President and such other officers as provided in the Bylaws. Under the direction of the Board, such officers shall conduct the business of the Authority and shall have such authority as is conferred by applicable law, the Bylaws, these Operating Procedures, and the Board. References in these Operating Procedures to approval by the Board shall mean and include approval by the Board or by any duly constituted committee thereof authorized to act on behalf of the Board pursuant to the Bylaws of the Authority.

**V. ADOPTION OF ANNUAL OPERATING BUDGET AND PLAN OF OPERATION**

Sixty (60) days prior to the close of each fiscal year, the President shall cause to be prepared a suggested Annual Operating Budget for the forthcoming fiscal year, which shall also comprise the Annual Plan of Operation. The suggested Annual Operating Budget for the forthcoming fiscal year shall be considered by the Board prior the close of the then current fiscal year, modified if deemed necessary, and adopted to be effective beginning the first day of the forthcoming fiscal year.

Any expenditure that exceeds the amount annually budgeted for a specific line item in the Annual Operating Budget by an amount greater than ten thousand dollars (\$10,000) shall require the approval of the Board.

The Annual Operating Budget shall incorporate the Authority's Annual Plan of Operation by specifying operating, programmatic, investment, and other expenses for the forthcoming fiscal year.

**VI. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION**

The Authority may seek to qualify as a Community Development Financial Institution under Section 4702 of the United States Code. If approved as a Community Development Financial Institution, then the Authority would be treated as a qualified community development entity for purposes of Section 45D and Section 1400N(m) of the Internal Revenue Code.

## VII. PERSONNEL POLICIES

All employees shall be exempt from the classified service and shall have all rights and benefits provided by applicable law. Grade classifications for each job title shall be established by the President, subject to Board approval.

Hiring & Promotions: The President shall, in accordance with the Authority's Bylaws, establish a schedule of positions and total staffing levels for the Authority. The schedule of positions shall describe the signature authority, if any, of each position. The President, acting on behalf of the Board, may from time to time fill any position on such schedule of positions and within such total staffing levels, except as may otherwise be provided in the Bylaws or any applicable resolution of the Board. The creation of any new Director-level position shall require the separate approval of the Board. For these purposes, "Director-level" means an Authority staff position one level under the officers in the Authority's staff organizational chart.

Whenever possible, the Authority shall maintain an identifiable career path for each class of positions on the schedule of positions approved by the Board. If the President determines it to be appropriate, then a current employee's position may be reclassified to another position within said career path. New positions approved by the Board and existing positions that become available as a result of a current employee vacating such position shall be posted internally and, if the President determines it to be appropriate, then publicly advertised in a manner reasonably designed to reach a range of possible applicants. A current employee shall be eligible for

reclassification or promotion to an existing or new position only if such employee has at least six (6) months of service with the Authority and meets the minimum qualifications for such position.

Notwithstanding any other provision of this section or any employee handbook or other personnel policies of the Authority, the position of the President, the manner of the conduct of any search for qualified applicants for such position, and the terms and conditions of employment in such position, including matters of compensation, dismissal, and severance, shall be in the discretion and subject to the approval of the Board. Hiring and promotion shall in all cases be in accordance with the Authority's Affirmative Action Plan and applicable statutes.

Compensation and Benefits: The Board shall establish and may from time to time modify reasonable compensation plans and employee benefits programs and policies as the Board determines to be necessary or appropriate to attract and retain qualified employees and carry out the Authority's statutory mission, including:

1. a compensation plan, which shall consist of sufficient salary grades to provide such compensation rates as may be determined to be necessary or desirable for all job classifications within the Authority, and which may include an incentive compensation program for all jobs classifications;
2. an employee benefits program, which may include, but is not limited to, vacation days, holidays, sick days, group health, life, and disability insurance, tuition reimbursement,

length of service awards and other benefits, including eligibility criteria and benefit levels;

3. a performance evaluation system, which may be used to determine merit increases in salary and incentive compensation levels;
4. policies with respect to compensatory time, flex-time, and telecommuting;
5. policies with respect to severance pay and benefits;
6. policies with respect to business and travel reimbursement; and
7. other reasonable compensation and employee benefits programs and policies as the Board determines to be necessary and appropriate to attract and retain qualified employees.

The President shall be empowered to administer the Authority's compensation plan and employee benefit programs and policies as approved by the Board, and shall have the authority to approve performance evaluations, determine merit increases and incentive compensation payments, and carry out such other duties and responsibilities as appropriate within the overall salary and employee benefits administration plan, except that performance evaluations and determination of merit or other salary increases and bonus payments for the position of President shall be reserved to the Board or the committee of the Board with responsibility for matters of

compensation. The Board shall review the Authority's compensation plan and employee benefit programs a part of its annual review of the Authority's Operating Budget and Plan of Operation.

Dismissal: Employment with the Authority is at-will, which means that either the employee or the Authority may terminate the relationship at any time and for any reason, with or without cause. The President may impose any level of disciplinary action, including termination, based upon the severity of the offense requiring discipline and the employee's past work record. This in no way alters the at-will employment policy.

Coordination with and Administration by Connecticut Innovations, Incorporated: To the extent permitted by any contract for administrative support and services between the Authority and Connecticut Innovations, Incorporated, personnel policies, compensation plans, and benefit programs and polices of the Authority may be coordinated and/or combined with, and administered by, Connecticut Innovations, Incorporated, subject to appropriate cost sharing.

## **VIII. PURCHASE, LEASE, ACQUISITION POLICY** **FOR REAL AND PERSONAL PROPERTY**

The Authority, acting through the President or another duly authorized officer, shall have the authority to invest in, acquire, lease, purchase, own, manage, hold, and dispose of real and personal property, and to lease, convey, or deal in or enter into agreements with respect to such real and personal property, on any terms necessary or incidental to the carrying out of the purposes of the Authority.

Procurement Procedures: The Authority may purchase, lease, or acquire real and personal property on a bid, negotiated, or open-market basis, including through a sole-source procurement or in such other manner as the President determines to be appropriate and in the best interests of the Authority in the circumstances, provided that in the case of any contract or agreement for the purchase, lease, or acquisition of real or personal property requiring an expenditure by the Authority in excess of seventy-five thousand dollars (\$75,000), wherever possible bids or proposals shall be solicited from at least three (3) qualified parties. The requirements of this subsection shall not be applicable to transactions entered into by the Authority primarily for the purpose of providing financial assistance pursuant to Articles XII, XIII and XIV of these Operating Procedures. To the extent permitted by any contract for administrative support and services between the Authority and Connecticut Innovations, Incorporated, space, systems, supplies and other property, goods or services necessary for the business operations of the Authority may be provided by Connecticut Innovations, Incorporated, subject to appropriate cost sharing, and in such cases the procurement procedures of Connecticut Innovations, Incorporated shall apply thereto.

## **IX. CONTRACTING FOR PROFESSIONAL SERVICES**

The Authority, acting through the President or another duly authorized officer, shall have the authority to engage accountants, attorneys, appraisers, financial advisers, investment advisers, underwriters, investment managers, investment bankers, brokers, architects, construction managers, engineers, and other consultants and professionals on any terms necessary or

incidental to the carrying out of the purposes of the Authority. In the absence of a conflict of interest, such consultants and professionals may be those also providing services to Connecticut Innovations, Incorporated.

Procurement Procedures: Contracts for professional services shall be awarded by the Authority in such manner, including on the basis of a sole-source procurement, as the Board determines to be appropriate and in the best interests of the Authority in the circumstances, provided that (i) for such contracts requiring an expenditure by the Authority up to and including seventy-five thousand dollars (\$75,000) over a period of one (1) fiscal year, the President has sole approval authority; (ii) for such contracts requiring an expenditure by the Authority over seventy-five thousand dollars (\$75,000) and up to and including one hundred fifty thousand dollars (\$150,000) over a period of one (1) fiscal year, the President and the Chairperson must both approve the expenditure; and (iii) for such contracts requiring an expenditure by the Authority of over one hundred fifty thousand dollars (\$150,000), such contract shall, whenever possible, be awarded on the basis of a process of competitive negotiation where proposals are solicited from at least three (3) qualified parties. To the extent permitted by any contract for administrative support and services between the Authority and Connecticut Innovations, Incorporated, professional services may also be provided by consultants and professionals selected by and under contract to Connecticut Innovations, Incorporated, subject to appropriate cost sharing. The provisions of Section 1-127 of the General Statutes shall apply to the engagement of auditors by the Authority.

## **X. STATE CONTRACTING REQUIREMENTS**

Any solicitation of bids or proposals by the Authority, and any award of a contract by the Authority, shall be subject to all state procurement and contracting requirements applicable to quasi-public agencies of the state, including without limitation the following to the extent applicable in the circumstances:

- Section 9-612 of the General Statutes, as amended, relating to campaign contributions by state contractors and their principals and related notices to state contractors and prospective state contractors;
- Section 4-252 of the General Statutes relating to affidavits as to gifts from contractors under certain large state contracts;
- Section 4a-81 of the General Statutes relating to affidavits with respect to consulting fees;
- Section 3-13l of the General Statutes relating to the prohibition of finder's fees in connection with investment transactions;
- Section 3-13j of the General Statutes relating to the disclosure of third party fees attributable to investment services contracts;
- Section 4-61dd of the General Statutes relating to whistleblower protections; and
- Section 4a-60 and 4a-60a of the General Statutes relating to non-discrimination in state contracting and documentation of contractor adoption of a corporate policy supporting the non-discrimination agreements and warranties required by Sections 4a-60 and 40a-60a.

**XI. FUNDING SOURCES AND PROCEDURES OF**  
**GENERAL APPLICABILITY TO FINANCIAL ASSISTANCE**

Funding sources specifically authorized by the Statute include, but are not limited to:

Funding Sources:

- (i) Funds repurposed from existing programs providing financing support for clean energy projects, provided any transfer of funds from such existing programs shall be subject to approval by the General Assembly and shall be used for expenses of financing, grants, and loans;
  
- (ii) Any federal funds that can be used for the purposes specified in Section 16-245n(c) of the General Statutes;
  
- (iii) Charitable gifts, grants, and contributions, as well as loans from individuals, corporations, university endowments, and philanthropic foundations;
  
- (iv) Earnings and interest derived from financing support activities for clean energy projects backed by the Authority;

- (v) If and to the extent that the Authority qualifies as a Community Development Financing Institution under Section 4702 of the United States Code, then funding from the Community Development Financing Institution Fund administered by the United States Department of Treasury, as well as loans from and investments by depository institutions seeking to comply with their obligations under the United States Community Reinvestment Act of 1977; and
  
- (vi) The Authority may enter into contracts with private sources to raise capital. The average rate of return on such debt or equity shall be set by the Board.

Procedures of General Applicability to Financial Assistance:

- (a) For clean energy projects, the amount to be financed by the Authority and other nonequity financing sources cannot exceed eighty per cent (80%) of the cost of developing and deploying such projects.
  
- (b) For energy efficiency projects the amount to be financed by the Authority and other nonequity financing sources cannot exceed one hundred per cent (100%) of the cost of financing such projects.
  
- (c) The Authority may assess reasonable fees on its financing activities to cover its reasonable costs and expenses, as determined by the Board.

- (d) The Authority shall make information regarding the rates, terms, and conditions for all of its financing support transactions available to the public for inspection, including formal annual reviews by both a private auditor conducted pursuant to Section 16-245n(f)(2) of the General Statutes and the Comptroller, and providing details to the public on the Authority's Web site; provided that public disclosure shall be restricted for patentable ideas, trade secrets, proprietary or confidential commercial or financial information, disclosure of which may cause commercial harm to a nongovernmental recipient of such financing support and for other information exempt from public records disclosure pursuant to Section 1-210 of the General Statutes.
- (e) Any entity that receives financing for a clean energy project from the Clean Energy Fund (Fund) shall provide the board an annual statement, certified as correct by the chief financial officer of the recipient of such financing, setting forth all sources and uses of funds for such project in such detail as may be required by the Authority. The Authority shall maintain any such audits for not less than five (5) years. Residential projects for buildings with one to four dwelling units are exempt from this and any other annual auditing requirements, except that residential projects may be required to grant their utility companies' permission to release their usage data to the Authority.

**XII. FINANCIAL ASSISTANCE—GRANTS, LOANS OR LOAN GUARANTEES,**  
**DEBT AND EQUITY INVESTMENTS**

The procedures in this section are generally applicable to the award of grants, loans or loan guarantees, and debt and equity investments for clean energy projects when the Board determines that one of the following methods be used in the selection and award process: (1) competitive selection and award, (2) programmatic selection and award, or (3) strategic selection and award. The factors to be considered in choosing the appropriate selection and award method, and the general procedures to be followed in each such case are set forth below.

Competitive Selection and Award

Applicability: Competitive selection and award shall be the preferred method when the Board determines that it is appropriate in the circumstances to invite and consider proposals for a particular clean energy project or projects in a competitive process under an established schedule and pursuant to formal qualification and selection criteria so that proposers and proposals may be evaluated fairly and thoroughly on a comparative basis.

Issuance of RFP: A request for proposals (RFP) shall be published or distributed in a manner that the Authority determines will promote broad participation in the competitive process. Deadlines for particular stages in the competitive selection process will be set forth in the RFP. Notice of the RFP shall be posted on the Web site of the Authority, may be published in one or more major daily newspapers published in the State, and may also be posted on the Web site of the Connecticut Department of Administrative Services. The

RFP itself shall also be posted on the Web site of the Authority and shall be mailed to or otherwise made available to interested parties in a reasonable manner.

Eligibility: Each RFP shall be authorized by resolution of the Board and issued pursuant to guidelines established by the Authority consistent with such Board authorization. Such guidelines shall at a minimum set forth: (1) proposer qualification requirements, (2) project eligibility criteria, (3) the nature and amount of financial assistance available from the Authority under the program, (4) the principal selection criteria, (5) any mandatory terms and conditions under which such funding is available, (6) applicable application, processing, or other program fees, and (7) the process by which proposals will be considered and acted upon. Such guidelines may be modified, in whole or in part, from time to time and at any time by the Authority, consistent with the authorizing resolution of the Board.

Selection Criteria: Selection criteria shall include, as applicable, (1) the eligibility of the proposer; (2) the proposer's qualifications and experience; (3) the financial feasibility of the project, including the availability and firmness of required financing; (4) the cost-effectiveness of the project; (5) the technological characteristics of the project, including the potential for technological improvements and advancements; the project's operational feasibility and commercial applicability; (6) the jobs created by the project; (7) the environmental benefits stemming from the project; and (8) the contributions to be made by the project toward the statutory purposes of the Authority and the furtherance of the Comprehensive Plan. Other selection criteria may be established for any RFP, and any weighting of selection criteria shall be in the discretion of the Authority acting pursuant to the authorizing resolution of the Board. If appropriate in the circumstances, then an

RFP may be first issued as a request for qualifications, following which those respondents found to be qualified are invited to respond to a final RFP.

Selection Process: The selection process shall be designed to provide for a fair and thorough evaluation of each eligible and qualified proposal, and shall be described in the RFP. The selection process may include the use of a review or scoring team, which may include members of any advisory committee, members of the staff of the Authority, and independent members with relevant industry, academic, or governmental experience. No member of any such review or scoring team shall have any financial or other personal interest in any proposed project. Any such review or scoring team shall act in an advisory capacity only and shall not constitute a committee or subcommittee of the Board, and the members of any such review or scoring team shall not be deemed to be public officials as a result of their service thereon. If the Authority determines that the responses to the RFP have been insufficient in number or quality to achieve the objectives of a competitive selection and award process or otherwise determines it to be in the best interest of the Authority, then the RFP may be extended, withdrawn and reissued, or cancelled at any time.

Selection Decision: One or more proposers may be selected for the purpose of entering into negotiations, if applicable, with respect to a project. Such selection shall be made by the Authority acting pursuant to the authorizing resolution of the Board after taking into account the established selection criteria, any report or recommendation by staff of the Authority, the report of any review or scoring team, and the results of any review and recommendation by any advisory committee to the Board, applied on an equitable basis. If more than one proposal is selected, then they may be ranked in order of preference,

which ranking may be based on the recommendation of staff of the Authority, such advisory committee, or the review or scoring team.

Notification to Proposers; Effect of Selection: All proposers shall be promptly notified of the results of the selection process. Such results may also be posted on the Web site of the Authority. Any such selection and notification is solely for the purpose of qualification for possible negotiation and does not constitute a financing commitment or the award of a contract.

Negotiation: The Authority may enter into good faith negotiations with one or more of the selected proposers at such time and in such order as the Authority may determine in its discretion consistent with the authorizing resolution of the Board. The commencement of such negotiations does not signify a commitment to provide financial assistance or to enter into a contract with a proposer. Either the proposer or the Authority may terminate such negotiations at any time for any reason. The Authority reserves the right to enter into negotiations with any other proposer at any time. Such negotiations shall not be limited to the scope or terms of the proposal but may include such other matters or different terms as the Authority may determine to be in the best interests of the Authority, acting pursuant to the authorizing resolution of the Board.

Award: Upon mutual agreement regarding the terms and conditions of the financial assistance, the Authority and the selected proposer may enter into a contract which memorializes the agreed-upon terms and conditions.

Fees and Expenses: The Authority may impose reasonable application, processing, or similar fees in connection with the submission and processing of proposals, and may

require, as a condition of negotiation with any selected proposer, that such proposer agree to pay costs incurred by the Authority, including fees and disbursements of the Authority's counsel, consultants, and other professional advisors. Any pre-established application, processing, or other program fees shall be set forth in the RFP.

State Contracting Requirements: Any RFP shall be subject to, and any definitive financing or contracting documents shall include, such provisions as may be required by applicable laws or executive orders, including with respect to non-discrimination and affirmative action.

Other Terms and Conditions: Any RFP may be subject to and include such other terms and conditions, not inconsistent with the requirements of these procedures, as the Authority may determine in its discretion to be appropriate and in the best interests of the Authority, consistent with the authorizing resolution of the Board.

#### Programmatic Selection and Award

Applicability: Programmatic selection and award shall be the preferred method when the Board determines that it is appropriate in the circumstances to invite applications on a continuing or periodic basis for clean energy projects with identified characteristics and to consider such applications under pre-established program-based qualification, eligibility, and selection criteria, but that it is not necessary or appropriate to evaluate such applications on a comparative basis as part of a competitive RFP process. Any such program may be discontinued, suspended, extended, or expanded at any time by the Board based on its determination of what is appropriate and in the best interests of the Authority.

Program Guidelines: Each such program shall be authorized by resolution of the Board and operated and administered by the Authority pursuant to program guidelines established by the Authority consistent with such Board authorization, which shall at a minimum set forth: (1) applicant qualification requirements, (2) project eligibility criteria, (3) the nature and amount of financial assistance available from the Authority under the program, (4) the principal selection criteria, (5) any mandatory terms and conditions under which such funding is available, (6) the application process, including a standard application form, (7) applicable application, processing, or other program fees, and (8) the process by which applications will be considered and acted upon. Such program guidelines may be modified, in whole or in part, from time to time and at any time by the Authority, consistent with the authorizing resolution of the Board. A general description of each such program, including the applicable program guidelines, and all such modifications, if any, shall be posted on the Web site of the Authority.

Approval; Terms and Conditions of Award: Applications shall be subject to the approval of the Board, or of the President or other officer of the Authority if and to the extent so authorized in the authorizing resolution of the Board, after taking into account any report or recommendations of the staff of the Authority or an advisory committee, if applicable. Financial support for a project under any such program shall be in such amount, and shall be subject to such project-specific terms, conditions, and requirements, as may be determined by the Authority within the limits established by the authorizing resolution of the Board and consistent with the program guidelines.

Timing of Consideration; Notice of Approval or Disapproval: While the processing time for applications may vary considerably based on the specific requirements of each

program, applicants for financial assistance available under an Authority program will receive notice of approval or disapproval within one hundred twenty (120) days of the submission of a complete application (including receipt of such additional information as the Authority may reasonably request in order to complete its application review). Failure to act on a completed application within such one hundred twenty (120) day period shall be deemed disapproval. Such one hundred twenty (120) day period may be extended at the request of either the Authority or the applicant with the consent of the other.

Fees and Expenses: The Authority may impose reasonable application, processing, or similar fees in connection with the submission and processing of proposals, and may require, as a condition of negotiation with any selected proposer, that such proposer agree to pay costs incurred by the Authority, including fees and disbursements of the Authority's counsel, consultants, and other professional advisors. Any pre-established application, processing, or other program fees shall be set forth in the applicable program guidelines.

### Strategic Selection and Award

Applicability: While the utilization of an open and public process, either competitive or programmatic, for awards from the Authority is anticipated most often to be in the best interest of the Authority and is to be strongly preferred, there are nevertheless recognized to be certain circumstances in which, based on special capabilities, uniqueness of the opportunity, urgency of need, cost, and similar factors, the public interest and the strategic mission of the Authority is best served by direct participation by the Authority in, and funding of, a particular clean energy project outside of an existing program and

absent a competitive process of selection and award. Such strategic selection and award method may be utilized upon an affirmative resolution, adopted by a two-thirds majority of the members of the Board present at a meeting of the Board, determining that the advantages of strategic selection and award clearly outweigh the general public interest in an open and public process based on a finding that at least three (3) of the following characteristics are present and are of predominant importance to the Authority:

- a. Special Capabilities: The opportunity is presented by a party with exceptional experience, expertise, or availability, or holding patent or other proprietary rights of special value to the Authority.
- b. Uniqueness: The opportunity is one-of-a-kind by virtue of location, high visibility, and leverage with other already committed public or private funding or similar unique attributes.
- c. Strategic Importance: The opportunity has exceptionally strong compatibility with the mission of the Authority, including the jobs created by the project or the environmental benefits stemming from the project, or offers the Authority an organizational role, participation in governance, a formative or other key role in the industry, high funding leverage potential, broad market reach, exceptional educational or public relations value, or similar special strategic advantages important to the Authority.
- d. Urgency and Timeliness: There is an urgent need to act on the opportunity as a result of public exigency or emergency, or a strategically important opportunity would become unavailable as a result of delay, or it would

take an unacceptable length of time for a similar opportunity to reach the same level of readiness.

- e. Multiphase Project; Follow-on Investment: The opportunity relates to the next phase of a multiphase proposal or the expenditure is necessary to support or protect an existing the Authority investment or initiative.

Other Requirements: Awards made by strategic selection and award shall to the extent applicable be otherwise subject to the same procedures set forth with respect to competitive selection and award under the headings “Negotiation”, “Award”, “Fees and Expenses”, “State Contracting Requirements”, and “Other Terms and Conditions”.

### **XIII. ISSUING AND RETIRING BONDS, BOND ANTICIPATION NOTES, AND OTHER OBLIGATIONS OF THE AUTHORITY**

The Board shall approve the issuance and retirement of all bonds, bond anticipation notes, and other obligations of the Authority. Such approval may include, but not be limited to, their form, denominations, maturities, rates, prices, public or private sales, and other provisions important or necessary for their issuance or retirement, including the payment of all expenses, premiums, and commissions in connection therewith.

#### **XIV. SURPLUS FUNDS**

Surplus funds generated through the sale of bonds, bond anticipation notes, or other obligations of the Authority, to the extent not needed for the payment of interest and principal due on any payment of said bonds, bond anticipation notes, or other obligations, if any accrued by the Authority, shall be withdrawn and transferred to the Authority's Operating Account at such times as is permitted under applicable resolutions for the bonds, bond anticipation notes, or other obligations to be used for any lawful purposes of the Authority.

#### **XV. PERIODIC REVIEW; AMENDMENT OF PROCEDURES**

At least annually, the Audit, Compliance, and Governance Committee of the Board shall meet to review and discuss the matters addressed by these Procedures and, if deemed necessary, to make recommendations for amendment of these Procedures to Board. Amendments to these Procedures shall be effective only upon adoption of such amendments by a two-thirds vote of the Board.

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