

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

740



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
July 29, 2010

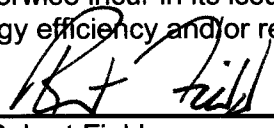
**SUBJECT:** Allocation of Qualified Energy Conservation Bonds to the Rancho California Water District

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2010-231, approving the sub-allocation of Qualified Energy Conservation Bond allocation to the Rancho California Water District for the proposed financing of certain Solar Generation Projects in the amount of \$10,200,000; and
2. Authorize the Assistant County Executive Officer/EDA, or designee, to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to, and comply with the terms and intent of Resolution No. 210-231, and the transfer of \$10,200,000 of the allocation to the District

**BACKGROUND:** Pursuant to IRS Notice 2009-29 of the American Recovery and Reinvestment Act of 2009 ("ARRA") the State of California was allocated approximately \$381.3 million of Qualified Energy Conservation Bonds ("QECBs"). Generally speaking, QECBs provide a federal subsidy that serves to lower the interest cost the QECB issuer would otherwise incur in its issuance of debt to finance certain qualifying projects (generally associated with energy efficiency and/or renewable generation facilities).

(Continued)

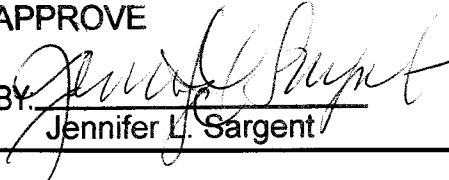
  
Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY:   
County Executive Office Signature  
Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL  
BY: Dale A. Gardner DATE: 7/29/10  
Departmental Concurrence

Dep't Recomm.:  Consent  Policy  
Per Exec. Ofc.:  Consent  Policy

**BACKGROUND:** (Continued)

In July 2009, the State's allocation was sub-allocated to certain large local governments throughout California, with Riverside County receiving an allocation of QECEBs in the amount of \$14,842,513. The California Debt Limit Allocation Committee ("CDLAC") administers the QECEBs in California.

In April, 2010, the Economic Development Agency initiated a Request For Proposal ("RFP") to identify qualified projects within the County for QECEBs allocation. Pursuant to that initial RFP process and subsequent consideration by the Economic Development Agency, staff is now recommending that the Board of Supervisors approve an award of County QECEBs allocation in the aggregate amount of \$10,200,000 for the following Solar Projects which will be constructed and owned by the Rancho California Water District:

**Senga Doherty Pumping Station:** 1,130 kW (dc) solar electric system to provide electric energy for consumption at District the pumping station located at 43250 Elm, in the City of Murrieta, CA, and

**HQ Parking Shade Structure:** 660 kW (dc) solar parking canopy system to provide renewable energy for consumption at the District's Headquarters facility located at 42135 Winchester Road, in the City of Temecula, CA.

2 **RESOLUTION NO. 2010-231**  
3 **COUNTY OF RIVERSIDE ALLOCATION OF**  
4 **QUALIFIED ENERGY CONSERVATION BONDS**  
5 **TO RANCHO CALIFORNIA WATER DISTRICT**

6 **WHEREAS**, pursuant to Internal Revenue Service Notice 2009-29 the County of  
7 Riverside (the "County") has received an allocation to issue up to \$14,842,513 of Qualified  
8 Energy Conservation Bonds (the "QECBs") pursuant to Section 54D of the Internal Revenue  
9 Code of 1986, as amended (the "Code"); and

10 **WHEREAS**, the Rancho California Water District ( the "District") has requested that  
11 the County transfer to the District \$10,200,000 of the Allocation to construct and acquire two  
12 solar energy projects described in Exhibit A hereto to be located within the geographic  
13 boundaries of the District and the County (the "Projects"); and

14 **WHEREAS**, the Economic Development Agency for the County of Riverside (the  
15 "Agency") has reviewed the Projects and is recommending that \$10,200,000 of the allocation  
16 be transferred to the District to allow the District to issue QECBs to finance the construction  
17 and acquisition of the Projects ; and

18 **WHEREAS**, the County finds and determines that the District is an eligible issuer of  
19 QECBs and that the Projects as proposed represent a "qualified conservation purpose"  
20 within the meaning of the Internal Revenue Service Notice 2009-29; and

21 **WHEREAS**, the County has determined that the transfer of \$10,200,000 of the  
22 Allocation to the District will benefit the residents of the County through the creation of jobs  
23 and a reduction in greenhouse gas emissions through the installation of the Projects;

24 **NOW, THEREFORE**, the Board of Supervisors of Riverside County hereby resolves  
25 as follows:  
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FORM APPROVED COUNTY COUNSEL  
BY: DALE A. GARDNER 7/27/10  
DATE

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Section 1. The Board of Supervisors has reviewed the recommendation by the Agency and hereby transfers \$10,200,000 of the Allocation to the District to be used by the District in connection with its issuance of QECCBs to finance the acquisition and construction of the Projects, and, in the event that not all of the allocation is used to finance the Projects, to finance other capital improvements of the District that represent a “qualified conservation purpose” within the meaning of Section 54D(f) of the Code. In the event that a portion of the Allocation is to be used to finance other capital improvements, prior to expending monies for such purpose, the District shall send notice to the Agency and the County describing such capital improvements and certifying that such improvements represent a “qualified conservation purpose” within the meaning of Section 54D(f) of the Code.

Section 2. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the transfer of \$10,200,000 of the Allocation to the District.

Section 3. All the above recitals in this resolution are true and correct and the Board of Supervisors so finds, determines and represents.

Section 4. This resolution shall take effect immediately upon its passage.

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**ADOPTED** by the Board of Supervisors of the County of Riverside at a regular meeting of said Board held on the 10<sup>th</sup> day of August, 2010, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**

**COUNTY OF RIVERSIDE**

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Marion Ashley, Chairman  
Board of Supervisors

**ATTEST:**  
KECIA HARPER-IHEM  
CLERK OF THE BOARD

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Deputy

## EXHIBIT A

### DESCRIPTION OF PROJECTS

The District plans to use the requested QECB allocation to finance the procurement of two solar generating facilities:

Senga Doherty Pumping Station: 1,130 kW (dc) solar electric system to provide electric energy for consumption at District the pumping station located at 43250 Elm, in the City of Murrieta, CA, at a total estimated cost of \$6,100,000; and

HQ Parking Shade Structure: 660 kW (dc) solar parking canopy system to provide renewable energy for consumption at the District's Headquarters facility located at 42135 Winchester Road, in the City of Temecula, CA, at an estimated cost of \$4,100,000