

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

May 26, 2010

Staff Report

**REQUEST FOR A RE-ALLOCATION OF QUALIFIED ENERGY CONSERVATION BOND ALLOCATION
FOR A QUALIFIED ENERGY CONSERVATION BOND PROJECT/PROGRAM**

Prepared by: Brady Hill

Eligible QECB Reallocation Applicant: CAEATFA

Eligible QECB Reallocation Issuer: CAEATFA

Allocation Amount Requested:
Governmental Use: \$7,600,000

Project/Program Information:
Name: Castaic Lake Water Agency
Project/Program Address: 27234 Bouquet Canyon Road
Project/Program City, County, Zip Code: Santa Clarita, Los Angeles, 91350

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement: Not Applicable
Private Placement Purchaser: Banc of America Leasing & Capital, LLC
Public Sale: Not Applicable

QECB Reallocation Category and Type:
Qualified Facility Type: Solar
Mass Commuting Type: Not Applicable
Renewable Resource Type (Rural Development): Not Applicable
Publicly Owned Building Type: Not Applicable
Research Investment Type: Not Applicable
Demonstration Project Type: Not Applicable
Public Education Campaign Type: Not Applicable
Loan/Grant Type: Not Applicable

Qualified Conservation Purpose Requirement:

The Applicant has provided a legal memo from bond counsel confirming that the project/program meets the "qualified conservation purpose" requirement as defined by IRS Notice 2009-29.

Readiness Requirement:

The Applicant has provided a thorough and complete time schedule for the project/program, and the Applicant has certified that the time schedule is a realistic estimate of their project's/program's timeline.

Public Entitlements Requirement:

The Applicant has certified that they have obtained (or will obtain before issuance) all required public entitlements that are required for QECBs to be issued.

Description of Public Benefits:

Estimated Production of Kilowatt Hours of Electricity = 2,264,853 kWh per year

Comments:

Castaic Lake Water Agency Project took eighth place based on their total estimated electricity production.

Details of Project Financing:

Estimated Total Project/ Program Cost: \$7,600,000

Sources of Funds:

Qualified Energy Conservation Bond Proceeds	\$ 7,600,000
Total Sources	\$ 7,600,000

Uses of Funds:

	<u>QECB Proceeds</u>
Engineering & Design Costs	\$ 133,000
Permitting Costs	\$ 76,000
PV Equipment Costs:	
(a) PV Modules	\$ 3,762,000
(b) Inverter	\$ 380,000
Construction & Installation Costs	\$ 1,881,000
Interconnection Costs - Electric	\$ 722,000
Sales Tax	\$ 361,000
Metering Costs	\$ 133,000
Costs of Issuance	\$ 152,000
Total Uses	\$ 7,600,000

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points: 0 out of 22

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$0 in Qualified Energy Conservation Bond Re-Allocation due to a lack of Allocation.

ATTACHMENT A

EVALUATION SCORING:

Qualified Conservation Purpose Points	Maximum Points Allowed	Points Scored
Qualified Facilities	10	0
Mass Commuting Facilities	12	N/A
Rural Development	12	N/A
Publicly Owned Building(s) (also show bonus points here)	10	0
Research Investments	10	N/A
Demonstration Project(s)	10	N/A
Public Education Campaign(s)	10	N/A
Loan/Grant Program	10	N/A
Total Points	22	0

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.