

**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*

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**Eligible QECB Reallocation Applicant:** CAEATFA

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**Eligible QECB Reallocation Issuer:** CAEATFA

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**Allocation Amount Requested:**  
**Governmental Use:** \$11,500,000

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**Project/Program Information:**  
**Name:** Rancho California Water District  
**Project/Program Address:** 4325 Elm Lane  
**Project/Program City, County, Zip Code:** Temecula , Riverside, 92590

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**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

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**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

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**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.

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**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 = 3,167,295 kWh per year

**Comments:**

Rancho California Water District Project took sixth place based on their total estimated electricity production.

**Details of Project Financing:**

**Estimated Total Project/ Program Cost:** \$11,500,000

**Sources of Funds:**

Qualified Energy Conservation Bond Proceeds	\$ 11,500,000
<b>Total Sources</b>	<b>\$ 11,500,000</b>

**Uses of Funds:**

	<u>QECB Proceeds</u>
Engineering & Design Costs	\$ 201,250
Permitting Costs	\$ 115,000
PV Equipment Costs:	
(a) PV Modules	\$ 5,692,500
(b) Inverter	\$ 575,000
Construction & Installation Costs	\$ 2,846,250
Interconnection Costs - Electric	\$ 1,092,500
Sales Tax	\$ 546,250
Metering Costs	\$ 201,250
Costs of Issuance	\$ 230,000
<b>Total Uses</b>	<b>\$ 11,500,000</b>

**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:**

<b>Qualified Conservation Purpose Points</b>	<b>Maximum Points Allowed</b>	<b>Points Scored</b>
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
<b>Total Points</b>	<b>22</b>	<b>0</b>

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.