

**Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector**



To: Placer County Public Financing Authority Board
From: Jenine Windeshausen, Treasurer-Tax Collector
Date: February 9, 2010
Subject: Placer mPOWER AB 811 Program Financing Documents

Action Requested:

- 1) Conduct a public hearing public hearing to consider (i) the proposed issuance of revenue bonds by the Placer County Public Financing Authority (the "Authority"), (ii) a loan (the "Loan") by the Authority to the County from the proceeds of the Authority Bonds for the purpose of financing the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property, and (iii) whether there are any significant public benefits to the County, in accordance with Section 6586 of the Government Code, from the issuance of the Authority Bonds, the making of the Loan and the installation of the Authorized Improvements.
- 2) Adopt a resolution authorizing and approving the issuance of Bonds by the Placer County Public Financing Authority (the "Authority"), a Loan Agreement between the Authority and the County on behalf of the Placer mPOWER Program and other financing documents to provide financing for the Placer mPOWER Program.

Background:

On December 8, 2009 and January 26, 2010, the Board of Supervisors took actions related to the implementation of Placer mPOWER, a financing program under AB 811 and AB 474. The purpose of the program is to provide financing for energy efficiency, water conservation and distributed renewable energy generation improvements to be made on developed residential, commercial/industrial and agricultural parcels. The financing provided to property owners is secured by an assessment contract and the amortized repayment is collected in twice yearly installments via the annual property tax bills. The Board actions to date include adoption of the Placer mPOWER Resolution of Intention, a resolution confirming the Program Report and Administrative Guidelines and authorizing other actions related to implementation of program administration.

Public Hearing: The Authority Board is to consider the issuance of bonds to provide funding for a loan to the County for the Placer mPOWER program. Coincident with the issuance of the Bonds, the Authority will enter into the Loan Agreement with the County in order to advance the bond proceeds from the Authority to the County. The County will use the proceeds from the Loan Agreement to make funds available for property owner assessment financing and for program costs including financing costs. The bond will be issued as a draw down bond and will be utilized on a line of credit basis as needed to fund approved assessment financings and program expenses. Amounts advanced to property owners are to fund the installation of distributed generation renewable energy,

energy efficiency and water efficiency improvements that are permanently fixed to real property.

The Placer mPOWER program goals are to increase energy efficiency and water conservation, decrease utility costs for property owners, increase energy independence, increase investment in the local economy and reduce greenhouse gas emissions. Therefore, the Board may reasonably find that there are significant public benefits related to the financing of the Placer mPOWER program and the resulting installation of the energy efficiency, water conservation and distributed generation improvements to properties.

Resolution: The resolution before the Board today is related to the program financing. Specifically the resolution provides that the Board:

1. authorize the issuance of bonds in an amount not to exceed \$33 million,
2. approve the form of the Indenture and authorize execution,
3. approve the form of the Loan Agreement and authorize execution,
4. approve the form of the Purchase Agreement and the sale of the Bonds to the Treasurer on behalf of the Treasurer's Investment Pool in an amount not to exceed \$33 million,
5. approve, confirm and ratify all actions taken by County officers and agents related to the issuance of the bond(s) and execution of the Loan Agreement, and authorize and direct designated officers of the County to take the actions necessary to finance the Placer mPOWER program,
6. authorize the initiation of validation proceedings with respect to the Indenture, the Loan Agreement, the Bonds, and related documents.

Fiscal Impact:

The resolution authorizes certain financial transactions. Those financial transactions are related to bonds transacted through the Treasurer's Investment Pool and a Loan Agreement between the Authority and the County. The bond terms provide for repayment to be made from the Authority to the Treasurer's Investment Pool with interest. The Loan agreement from the Authority provides for the County to repay the loan from the assessments collected with interest. Program costs are recovered from interest charges collected on the assessments.

Attachments:

- Resolution
- Indenture in substantially final form
- Loan Agreement in substantially final form
- Purchase Agreement in substantially final form

Cc: Clark L. Moots, Director of Administrative Services
Jim Boggan, Procurement Manager