



## COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

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### NEVADA COUNTY SANITATION DISTRICT NO. 1 BOARD OF DIRECTORS Board Agenda Memo

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**MEETING DATE:** August 16, 2016

**TO:** Board of Directors

**FROM:** Richard A. Haffey, County Executive Officer

**SUBJECT:** Resolution Approving and Authorizing the Execution and Delivery of an Easement and Sublease with Respect to the Financing of Energy Conservation Equipment and Certain Solar Power Generating Equipment and Authorizing the Taking of All Other Actions Necessary to the Consummation of Such Financing

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**RECOMMENDATION:** Adopt the Resolution

**FUNDING:** Nevada County will issue approximately \$10.8 million of New Clean Renewable Energy Bonds (NCREBS) to fund solar energy generation for the Energy Conservation and Generation Project (Project). The solar project at the Sanitation District Lake of the Pines site represents approximately 15% of the costs of the total solar portion of the project. The Lake of the Pines Zone will be charged approximately 15% of the debt service and administrative costs of the project with costs offset by energy savings. The net savings for Lake of the Pines will be proportionate to total project net savings. Total Project net savings are estimated at \$56,000 the first year, with increasing net savings each year for 20 years, for a total projected net savings of \$6.9 million over twenty years.

**BACKGROUND:**

The Nevada County Energy Plan, adopted by the Board of Supervisors in 2012, states as a policy that the County “is committed to reducing its demand for electricity, natural gas and water in order to conserve natural resources and to save funds that may help support other County needs,” and that “Facilities Management shall make every effort to identify funding opportunities and cost- reducing incentive programs to help the County achieve its resource conservation goals.”

Over the past year, there have been a number of actions taken by the Board of Supervisors to further efforts to meet the goals of the Energy Plan, particularly related to the Energy Conservation and Generation Project (Project). Those actions and subsequent work have led to the current financing phase of the Project. It is expected that after Board of Supervisors, Sanitation District, and Finance Authority take action on the project documents, then the bonds will fund before August 31, 2016, at which time the equipment purchases and installation will begin in earnest, with an estimated Project completion date of December 2017.

To facilitate the portion of the project related to the solar panels to be installed at the Lake of the Pines wastewater treatment facility, the Sanitation District will grant the County an easement upon which to install and maintain solar panels, and the Sanitation District will then sublease the property from the County, and will pay its fair share of debt service and administrative costs. The San District and ratepayers benefit from lower energy costs and lower cost of financing afforded through the larger county financing of the Project.

The Resolution approving Project documents requests that the Board of Directors:

- Approve and Authorize the Easement and Sublease Agreement
- Appoint Authorized County representatives for purposes of the approved documents
- Authorize other actions as necessary or reasonably required

**Item Initiated by:** Martin Polt, Chief Fiscal Officer

**Approved by:** Richard A. Haffey, County Executive Officer

Submittal Date:

Revision Date: