



COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

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

MEETING DATE: September 10, 2019

TO: Board of Directors

FROM: Alison Lehman, County Executive Officer

SUBJECT: Resolution Approving Amendment #1 to the Equipment Sublease/Purchase Agreement between County of Nevada, California and Nevada County Sanitation District No. 1 Regarding the Financing of Solar Power Generating Equipment at the Lake of the Pines Wastewater Treatment Plant and Authorizing the Chair of the Board of Directors to Execute the Amendment and Directing the Auditor-Controller to Amend the Fiscal Year 2019/20 Sanitation District Budget

RECOMMENDATION: Adopt the Resolution

FUNDING: On August 31, 2016, Nevada County issued \$10,806,000 of New Clean Renewable Energy Bonds to fund solar energy generation for the Energy Conservation and Generation Project (Project). At the time of issuance, the installation of solar generating equipment (Equipment) at the Sanitation District Lake of the Pines (LOP) site was estimated to be approximately 15% of the costs of the total solar portion of the Project, equal to \$1,670,944. Final actual equipment costs for the LOP site were \$1,810,021, a difference of \$139,077. The average net impact to the Zone is \$10,159 per year through the term of the payment schedule (ending 8/1/2036). This resolution is to approve changes to the LOP Zone Sublease Payment Schedule to charge actual final project costs as the Zone's share of debt service for the solar bonds. A budget amendment is included. There is no impact the General Fund.

BACKGROUND: On August 16, 2016 the Nevada County Sanitation District No. 1 Board of Directors adopted Resolution SD16-012, 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. This action resulted in a final Equipment Sublease/Purchase Agreement (Agreement), dated as of August 1, 2016, which governs payments to be made by the Sanitation District to the County of Nevada for the cost of installing the solar Equipment.

The final Agreement contained a Sublease Payment Schedule (Exhibit A), which was calculated at the time of adoption based upon an estimated Principal Component of \$1,670,944 for the LOP Zone share of Project costs. Since that time, the Project has been completed, with total costs for the LOP Equipment equal to \$1,810,021.

An amended Exhibit A – Sublease Payment Schedule – which reflects actual Equipment costs has been prepared by the County’s financial advisor, KNN Public Finance, LLC. and is attached to the proposed Amendment #1.

Item Initiated by: Barry Anderson, Management Analyst