



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Treasurer-Tax Collector  
Department No.: 065  
For Agenda Of: 8/23/2016  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Harry E. Hagen, CPA, CPFO, CFIP, ACPFIM  
Director(s) Treasurer-Tax Collector

Scott D. McGolpin, PE, Public Works Director

Contact Info: Kimberly A. Tesoro, CPA, CPFO, CFIP  
Assistant Treasurer-Tax Collector, 568-2153

Mark Paul, CPA, CPFO,  
Deputy Director, Public Works, 568-3016

**SUBJECT:** New Clean Renewable Energy Bond Application

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

As to form: Select\_Concurrence

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Authorize the Treasurer-Tax Collector to sign and submit an application to the Internal Revenue Service for an allocation of New Clean Renewable Energy Bond (CREB) Volume Cap for the Tajiguas Resource Recovery Project (TRRP) and submit any additional information or supporting documentation requested; and
- b) Authorize the Treasurer-Tax Collector to execute any documents necessary to accept the allocation; and
- c) Determine that the above actions are government funding mechanisms and/or fiscal activities that are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

**Summary Text:**

On July 12, 2016, the Board approved the contract for the TRRP and directed staff to pursue financing for the project. The United States Department of Treasury has made available a CREB program that provides governmental bodies the opportunity to receive an interest rate subsidy on long-term financing of qualified renewable energy facilities. The Anaerobic Digestion Facility (AD Facility), the Solar Energy Facility and other components of the TRRP are expected to be eligible for the CREB program.

**Background:**

The Resource Recovery and Waste Management Division of the Public Works Department is responsible for the management of solid waste resources in Santa Barbara County including the operation of the Tajiguas Landfill. The TRRP would modify operation of the existing Tajiguas Landfill to include the construction and operation of state of the art resource recovery facilities, including a Materials Recovery Facility (MRF) and an AD Facility to further recover recyclable material, provide an alternative to burying organic waste, generate green energy, and significantly reduce greenhouse gas emissions.

In March of 2015, the IRS announced the availability of approximately \$1.4 billion in remaining volume cap for CREBs and opened the application window for governmental entities. The amount of available volume cap, as of July 1, 2016 is \$415 million. CREBs are similar to the Recovery Zone Economic Development Bonds and the Qualified Energy Conservation Bonds that the County has issued in the past. They are taxable bonds that entitle the issuer to receive a direct subsidy payment from the US Treasury equal to the lesser of (i) the taxable rate of the bonds or (ii) 70% of the Tax Credit Rate on every semi-annual interest payment date. The subsidy is projected to reduce the net interest cost to an amount below that of tax-exempt interest. These bonds must be used for qualified renewable energy facilities.

**Fiscal Analysis:**

There is no financial obligation to the County in submitting an application to the CREB program. If the application is approved the County would have 180 days to issue the bonds and the Treasurer-Tax Collector would return to the Board for final approval of the financing.

**Authored by:** Kimberly A. Tesoro, CPA, CPFO, CFIP, Assistant Treasurer-Tax Collector