

Smith School Solar Project Information

Government Code 4217.10 - 4217.18 allows public agencies to select and contract with a qualified company to design and build energy conservation projects and finance the project using the savings from reduced utility bills. The savings from reduced electricity costs will pay all construction costs, all financing costs and return a minimum of \$75,000 to the general fund budget each year. We've included these cost savings in our budget.

This process started over two years ago when Chevron Energy Solutions conducted a feasibility energy analysis to determine the potential for improving energy efficiency in our District. This feasibility analysis was conducted from June 2008 to September 2008.

Chevron Energy Solutions received Board of Trustees approval to conduct a more comprehensive energy assessment on May 19, 2009. Chevron spent the next six months analyzing every piece of electrical equipment, reviewing all utility bills and rates, conducting an extensive shade analysis for solar, researching available rebates and incentives and preparing optional solutions for consideration by the Board of Trustees.

On January 26, 2010, Chevron presented preliminary results of the comprehensive energy assessment and a recommended option for a project to include lighting upgrades at all school sites, HVAC (heating/air conditioning) upgrades at Hawes and Sowers, replacement of the back wall at Sowers and solar arrays at Dwyer, Hawes, Seaclyff, Smith and Sowers. Color renderings were presented at this meeting so the Board would have visual concepts along with the data to support the recommendation. Board discussion lasted two to three hours.

On February 16, 2010, Stone & Youngberg LLC presented options to finance this project using Certificates of Participation. This type of financing is similar to selling bonds. All costs of construction and financing are paid using energy savings with additional savings (\$75,000 annually) returned to our general fund budget.

On March 9, 2010, the Board of Trustees reviewed an additional option that included solar arrays at all school sites. Chevron provided cost/savings information for the initial option presented on January 26, 2010 (solar at five school sites) compared to solar at all school sites. After a lengthy discussion, the consensus of the Board was to proceed with the option presented on January 26, 2010 that included lighting upgrades at all school sites, HVAC upgrades at two school sites, a new wall at Sowers and solar arrays at five school sites.

On April 13, 2010, a public hearing was held to allow comment on the proposed contract with Chevron Energy Solutions...there were no public comments. The Board approved the contract with Chevron and authorized financing using Certificates of Participation.

On July 6, 2010, financing for energy efficiency projects in the amount of \$7,875,000 was finalized. This amount will be repaid using rebates (\$104,000 for lighting), incentives (\$1.3 million for solar) and savings from reduced electric bills. Using conservative projections, after all construction and finance costs are paid, we will realize additional general fund savings of \$75,000 annually.