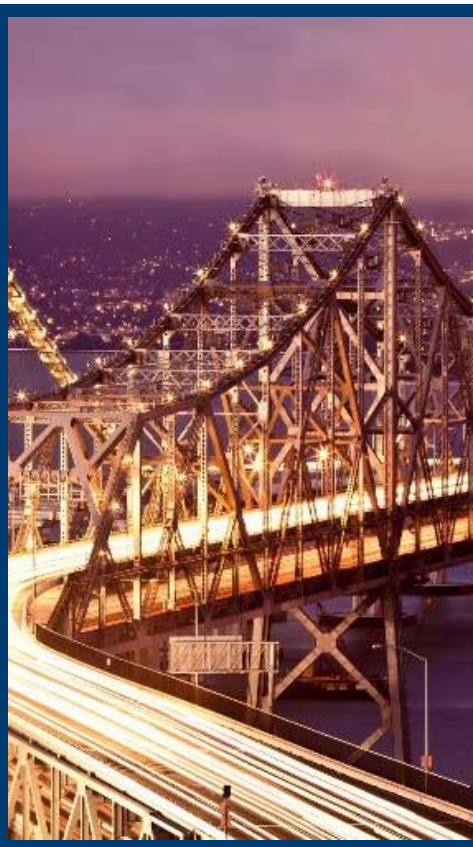


IBank

California Infrastructure and
Economic Development Bank

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK)

- The legislature created IBank in **1994** to finance public **infrastructure** and private **development** that creates **jobs** and a strong **economy** to improve the **quality of life** for the people of California.
- IBank has **broad authority** to issue tax-exempt and taxable revenue bonds, provide financing to **public agencies**, leverage State and Federal funds and more.

OUR FINANCING PROGRAMS

Infrastructure State Revolving Fund Program

California Lending for Energy and Environmental Needs Center

Small Business Finance Center

Bond Financing Program

Infrastructure State Revolving Fund Program

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

ISRF DIRECT LOAN PROGRAM

Direct **financing** to public borrowers and non-profit organizations sponsored by public entities for a wide variety of **infrastructure** and **economic development** projects.

Infrastructure State Revolving Fund Program

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

- Funding available from **$50 thousand to $25 million.**
- Terms for the useful-life of the project **up to 30-years.**
- Up to 100% of eligible project cost financed.

Infrastructure State Revolving Fund Program

INTEREST RATE METHODOLOGY

- Benchmarked to Thompson Reuters Municipal Data (MMD) Index
- Subsidized based upon:
  - Unemployment rate
  - Median household income
- Lower transaction costs
- Better than a public offering

Infrastructure State Revolving Fund Program

ELIGIBLE APPLICANTS

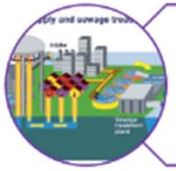
- **Any Subdivision of a Local Government (Departments, Agencies, Commissions, Cities and Counties)**
- **Special Districts**
- **Joint Powers Authorities**
- **Public Benefit, Tax-Exempt, Nonprofit Corporations (with eligible sponsorship)**

Infrastructure State Revolving Fund Program

TYPES OF ELIGIBLE PROJECTS

Drainage, Water Supply and Flood Control

Sewage Collection and Treatment



Water Treatment and Distribution

Water Storage and Smart Water Meters

Recycled Water

ISRF CREDIT UNDERWRITING AND CRITERIA

- **Financial Condition (Comprehensive Annual Financial Report or CAFR)**

- **Sources of Repayment:**
  - Enterprise Revenues: rate payer fees; water, sewer, other
  - General Fund revenues
  - Property assessments
  - Other recurring revenues acceptable to IBank

CITY OF PITTSBURG WATER TREATMENT PLANT

Loan Amount:

$11.4 million

Use of Funds:

- **Constructed, renovated, and modified existing plant**
- **Improved water quality production and reliability**
- **Helped City meet fire flow requirements**

Infrastructure State Revolving Fund Program

City of Pittsburg CALIFORNIA

CITY OF IONE'S WASTEWATER COMPLIANCE PROJECT

Loan Amount:

- **$3.25 million**

Use of Funds:

- **Accommodated planned growth for waste water requirements**

Benefits:

- **Avoided future non-compliance fines**
- **Funds helped Ione meet regulatory** deadlines

Infrastructure State Revolving Fund Program

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT (DISTRICT) WATER RESOURCES ACQUISITION PROJECT

Infrastructure State Revolving Fund Program

Loan Amount:

- $7.5 million

Use of Funds:

- Purchased 157 acres
- Constructed a water well
- Financed a portion of the water rights

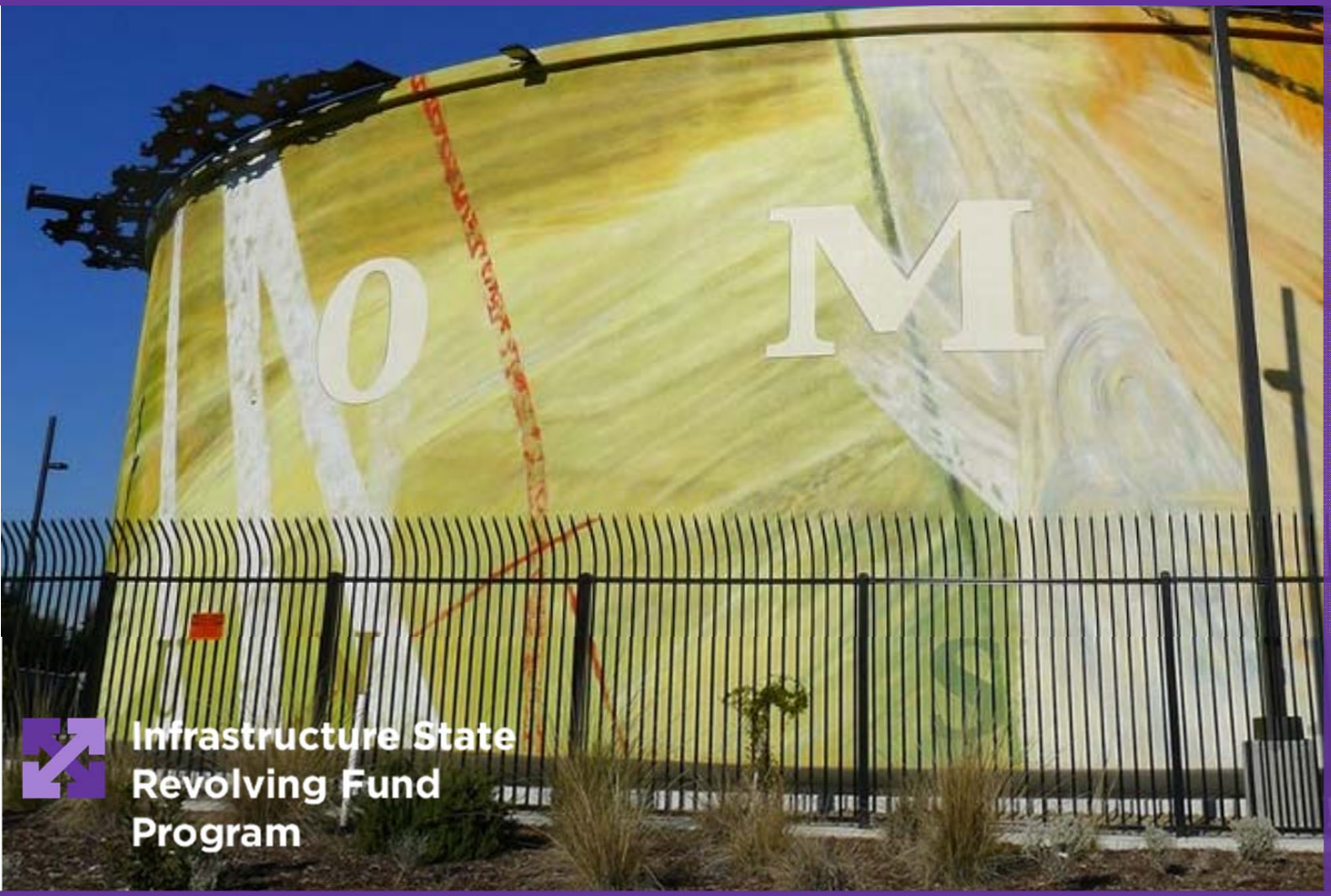
Benefits:

- Reduced cost to purchase water to meet current demand
- Estimated savings $16 million over the next 30 years, keeping rates low for customers

PHELAN PIÑON HILLS
PPHCSD
EST. 2008
COMMUNITY SERVICES DISTRICT

CITY OF DAVIS

East Area Water Storage Tank Capital Improvement Project



Loan Amount:

- $10 million

Use of Funds:

- 4 million gallon municipal water storage tank
- 8.6 million gallon pump station
- Transmission mains and system piping

Benefits:

- Supported major retail store in new development that resulted in increased sales tax revenue

California Lending for Energy and Environmental Needs Center

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

CLEEN CENTER GOALS

- ✓ To fund projects that assist in achieving California's Greenhouse Gas Reduction Goals
- ✓ Drive down the cost of clean energy, water conservation and environmental projects
- ✓ Enhance market confidence in green investing

California Lending for Energy and Environmental Needs Center

OUR TARGET BORROWERS ARE:

M
Municipalities

U
Universities

S
Schools

H
Hospitals

CLEEN CENTER DIRECT FINANCING

- **Funding available in amounts ranging from**
  $500 thousand to $30 million
- **Terms for the useful-life of the project**
- **Up to 100% eligible project costs financed**
- **Interest rate benchmarked to Thompson Reuters Municipal Data Index; subsidized based upon air quality index**
- **Lower transaction costs/better than a public offering**

TYPES OF "CLEEN" ENERGY PROJECTS

Generation

- Renewable energy, solar, wind, biomass, hydroelectric

Conservation

- Energy efficiency retrofits, Light Emitting Diode (LED) lights, Building automation and controls

Other

- Energy storage, transmission, distribution, Electric Vehicle (EV) charging stations, alternative technologies, alternative fuels

CITY OF HUNTINGTON BEACH

STREET LIGHT ACQUISITION AND LED RETROFIT PROJECT

Loan Amount:

- $3 million

- IBank's first CLEEN loan was for the acquisition and retrofit of more than 11,000 streetlights with new Light Emitting Diode (LED) technology.
- Expected annual energy savings–3.5 million kilowatt-hours the first year, lowering costs, making funds available for other services.

"This acquisition and retrofit represents a **rare opportunity** to **improve** the City's finances, **infrastructure,** light quality, and **environmental footprint**."

-Energy Manager Antonia Graham

California Lending for Energy and Environmental Needs Center

CITY OF HUNTINGTON BEACH INCORPORATED FEB. 17, 1909 A.D. ORANGE COUNTY CALIFORNIA

ISRF & CLEEN Loan Underwiting Guidelines

ENTERPRISE FUND SECURED FINANCINGS

GENERAL CREDIT REVIEW

- **Historical revenue and expenses**
- **Historical rate increases**
- **Prop 218 Compliance**
- **Rate comparison**

DEBT SERVICE REQUIREMENT

- **Revenues > 100% of projected debt service**

NET REVENUES AND ADJUSTMENTS

Net revenues:

- Debt service coverage
- Recurring system revenues
- Connection fees (may consider)

Adopted rate increases/system expansion may be used to adjust revenues:

- Consultant's report review

System Expansions

Rate stabilization fund balance

SYSTEM REQUIREMENT

- **Top 10 ratepayers < 50%**
- **No single ratepayer > 15%**
- **Empowered to establish and enact rate changes**

FINANCING COVENANTS

Rates and charges covenant:

- Maintain required debt service coverage ratio

ISRF & CLEEN Loan Underwiting Guidelines

GENERAL FUND LEASED SECURED DEBT

GENERAL CREDIT REVIEW

- **Fund balances**
- **Debt service obligations, etc.**
- **No litigation**

STRUCTURING REQUIREMENTS

Project budget:

- Construction contingency

Non-asset transfer:

- Capitalized interest

Asset transfer:

- Pledge unencumbered real property(ies)

DEBT SERVICE REQUIREMENTS

Total debt service obligations:

- Must not > 15% of the total general fund revenue

Fund:

- Services proposed financing

LEASE COVENANTS

- **Construction contracts**
- **CLTA or ALTA Title Insurance Rental Interruption Insurance Payment covenant**
- **Standard covenants**

APPLICATIONS ACCEPTED CONTINUOUSLY

IBank representatives provide technical assistance throughout the process.

May serve as matching funds for other financings.

No federal overlays.

Final approval by IBank Board of Directors.

Call us to discuss your project!

IBank
California Infrastructure and Economic Development Bank

CONTACT US

ISRF Loan Program
Diane Cummings
LoanProgram@ibank.ca.gov

CLEEN Center
Teveia Barnes
LoanProgram@ibank.ca.gov

Bond Financing Program
Fariba Khoie
Fariba.Khoie@ibank.ca.gov

Small Business Finance Center
Nancee Trombley
SBFC@ibank.ca.gov

Telephone: (916) 341-6600
Website: www.ibank.ca.gov