



# County of Sonoma

## State of California

Date: August 22, 2023

Item Number: 2023-0474

Resolution Number: \_\_\_\_\_

☐ 4/5 Vote Required

**Resolution Of the Board Of Supervisors Of The County Of Sonoma, State Of California, Making Certain Findings and Approving A Contract for Certain Energy Conservation Services with Pacific Gas and Electric ("PG&E") at the Santa Rosa Veterans Building, Pursuant to Government Code Sections 4217.10 et seq.**

**Whereas**, the County of Sonoma has policies and goals to implement projects for energy efficiency, to achieve energy cost reductions and other climate protection goals; and

**Whereas**, Government Code Section 4217.12 authorizes the County to enter into energy service contracts for electrical, thermal, or other energy or conservation services and facilities, which may be comprised of energy conservation measures and improvements, if the Board of Supervisors finds that the contract and its terms are in the best interests of the County and that the anticipated cost to the County for energy or conservation services provided under the contract is less than the anticipated marginal cost to the County of energy that would have been consumed by the County in the absence of the contract; and

**Whereas**, Government Code Section 4217.13 authorizes the County to enter into a facility financing contract on terms that the Board of Supervisors determines are in the best interests of the County and if the Board finds that funds for the repayment of the financing and costs of the design, construction, or operation of the related energy conservation facilities as required under the contract, are projected to be available from funding that otherwise would have been used for purchase of energy required by the County in the absence of the energy conservation facility; and

**Whereas**, if the subject findings can be made, California Government Code Sections 4217.12 and 4217.13 allow the County to forego standard procurement processes for energy services contracts and related energy financing contracts; and

**Whereas,** the findings required under Government Code Sections 4217.12 and 4217.13 must be made at public hearing conducted at a regularly scheduled meeting of the Board after two weeks' prior notice, which was duly given and posted prior to the date of this Resolution, on which said date the Board conducted the required public hearing at a regularly scheduled meeting; and

**Whereas,** Pacific Gas & Electric (PG&E) was previously retained to conduct and provide assessment of and recommendations regarding the County's energy systems at various facilities, associated energy usage, and opportunities to reduce energy expenses; and

**Whereas,** PG&E has proposed a Contract to design and implement various energy-related measures and improvements at the Santa Rosa Veterans Memorial Building ("Building"), which will result in reduced energy consumption and associated energy cost savings to the County, over and above the costs of the energy conservation services and the Contract with PG&E; and

**Whereas,** PG&E has provided an analysis of the reduction in energy consumption that will be achieved at the Building as a result of the conservation services and measures under the proposed Contract, and the resulting energy cost savings to the County. The analysis, along with other information, analysis, and conclusions based on further due diligence by county staff, demonstrates that the cost of the proposed contract to the County for the energy and conservation services provided thereunder is less than the anticipated marginal cost to the County of the energy that would have been consumed by the County in the absence of the Contract; and

**Whereas,** utilizing financing options either through PG&E and the SST program or through other commercial lenders, a contract for loan financing ("Financing Contract") is available to fund the balance of costs for the proposed Contract, at market rates with industry-standard loan terms. Based on projected financing costs and projected energy cost savings as analyzed and concluded in the materials in support of this Resolution, under either loan scenario it is projected that funds will be available from avoided energy costs to pay such loan and Contract costs; and

**Whereas,** the subject analysis, projection forecasts, financial assessment, and other supporting information regarding the terms of the Contract and Financing Contract was presented as evidence and duly-considered at the public hearing held the date of this Resolution, and opportunity for public comment and input from any interested parties was provided; and

**Whereas,** the County has established Climate Action and Resiliency Goal 3 in the Strategic Plan to make all County facilities carbon free, zero waste, and resilient; and

**Whereas**, the energy efficiency, energy resilience upgrades, and other energy conservation measures to the Building will reduce the carbon footprint of the Building and make it more resilient to climate change;

**Now, Therefore, Be It Resolved**, the Board of Supervisors of The County Of Sonoma does hereby find, determine, and order as follows:

Section 1.     Recitals. All of the recitals contained herein are true and correct.

Section 2.     Energy Conservation Services Contract Findings. Pursuant to Government Code section 4217.12, the County Board of Supervisors finds and determines that the cost to the County of the proposed Contract for the energy and conservation services provided thereunder is less than the anticipated marginal cost to the County of thermal, electrical, and other energy that would have been consumed by the County in the absence of the Contract, and that the terms of the Contract are in the best interests of the County.

Section 3.     Energy Conservation Services Contract Approval. The form of the Contract by and between the County and PG&E, entitled "Implementation Project Work Order," presented by staff is hereby approved. The Director of Public Infrastructure is authorized, for and in the name of and on behalf of the County, to further negotiate, if necessary, and execute the Contract with PG&E and related documents as necessary to carry out the Contract, in form approved by County Counsel.

Section 4.     Facility Financing Contract Findings. Pursuant to Government Code section 4217.13, the County Board of Supervisors finds and determines that funds for repayment of the financing and costs of the Contract under the proposed Financing Contract are projected to be available from funding that otherwise would have been used for purchase of energy required by the County in the absence of the energy conservation facility and measures, and that the terms of the Financing Contract are in the best interests of the County.

Section 5.     Facility Financing Contract Authorization. The Director of Public Infrastructure is authorized and directed, for and in the name of and on behalf of the County, to negotiate and execute a Financing Contract and related documents as necessary to obtain financing for the balance of energy services Contract costs, in form approved by County Counsel, and consistent with the material terms as detailed in the Summary report and other material accompanying this Resolution as part of the corresponding public hearing.

Section 6.     Effective Date. This Resolution shall take effect upon adoption.

Resolution #23-

Date:

Page 4

**Supervisors:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Coursey:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**