

## Attachment 13

### County Owned Facility Upgrades and Government Code Section 4217

Public Resources Code Section 25008 establishes the policy of the State “to promote all feasible means of energy and water conservation and all feasible uses of alternative energy and water supply sources.” To that end, Government Code Sections 4217.10 to 4217.18 allow local governments and public agencies to develop energy conservation, cogeneration, and alternate energy supply sources at their facilities if the governing body determines, in a public hearing, that it is in the best interests of the agency, and if certain findings are made.

#### Findings per 4217.12: Contracting

To pursue an energy services contract under the Government Code allowance, your Board must make the following finding: That the County cost of the proposed energy and conservation services and measures is less than the anticipated costs for energy that otherwise will be consumed by the County at the Building, and that the terms of the Contract are in the best interests of the County.

If the Recommended Near-Term Energy Upgrade Package is financed with a Certificate of Participation (COP) at an interest rate of 3.697%, the projected utility cost savings including incentives over the life of the project are \$46,643,549. The total cost for the project (including capital costs, financing costs, anticipated operation and maintenance cost impacts, and two capitalized interest payments) is \$43,387,370. The total savings exceed the total cost by a wide margin; savings assume 3.0% energy and 1% water cost escalation rates. The finding may be made for the Recommended Near-Term Energy Upgrades package. *If the COP interest rate in the final financing package is evaluated at an upper value of 4.1%, and all other parameters remain the same, the total cost for the project (including capital costs, financing costs, anticipated operation and maintenance cost impacts, and two capitalized interest payments) is \$45,002,620. This is still less than the projected savings of: \$46,643,549, and the finding may be made.*