
Date: November 4, 2025

Item Number: _____

Resolution Number: _____

☐ 4/5 Vote Required

Resolution Of The Board Of Directors Of The Sonoma County Water Agency Determining That Entering Into A Microgrid Services Agreement With Scale Microgrid Solutions Operating, LLC Is In The Best Interests Of Sonoma Water And Will Result In Savings And Other Benefits To The Public And That The Difference Between The Fair Rental Value For The Real Property Will Be Offset By The Below-Market Energy Purchases

Whereas, California Government Code section 4217.12– authorize public agencies, following a noticed public hearing, to enter into energy service contracts, energy conservation, cogeneration, or alternative energy supply arrangements when the governing body finds (1) it is in the best interests of the agency and/or that the anticipated cost to the agency of the energy supplied or conservation services will be less than the anticipated marginal cost of energy that would have been consumed without such measures and (2) that the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent, is anticipated to be offset by below-market energy purchases or other benefits provided under the energy service contract.; and

Whereas, the Board caused a public hearing to be noticed and held on November 4, 2025 in accordance with Government Code §4217.12, at which time all interested persons were given an opportunity to be heard concerning the proposed Microgrid Services Agreement with Scale Microgrid Solutions Operating, LLC (“Agreement”) for the 404 Aviation Boulevard Solar System Replacement located at Sonoma Water’ Administrative Headquarters in Santa Rosa; and

Whereas, staff presented an analysis showing that implementation of the Project is in the best interest of Sonoma Water and will provide renewable energy and that (1) the anticipated costs to Sonoma Water under the Agreement are less than the anticipated marginal costs of Sonoma Water’s energy in the absence of the Agreement, and/or (2) that the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent, is anticipated to be offset by below-market energy purchases or other benefits provided under the energy service contract; and

Whereas, Sonoma Water's General Manager has determined that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resource Code section 21080.35 and CEQA Guidelines sections 15301 (a)(b), Existing Facilities, and 15302(c), Replacement or Reconstruction, because the project involves the replacement of and construction of a solar energy system on an existing rooftop. The Project provides for utility systems involving negligible or no expansion of use by upgrading aging electrical equipment and infrastructure on the same site and have substantially the same purpose and capacity as the systems replaced. The Project does not have the potential to degrade the quality of the environment or cause a substantial adverse change in the significance of a historic resource; and

Whereas, Sonoma Water has prepared a Notice of Exemption in accordance with CEQA, the State CEQA guidelines, and Sonoma Water's Compliance Procedures for the Implementation of CEQA.

Now, Therefore, Be It Resolved

1. **4217 Findings.** Based on the evidence presented at the public hearing, including staff's financial and technical analysis, the Board finds and determines, pursuant to Government Code §4217.12, that:
 - a. The anticipated cost to Sonoma Water for the energy services provided by the Agreement will be less than the anticipated marginal cost to Sonoma Water of electrical energy that would have been consumed by Sonoma Water in the absence of such purchases/installation; and/or
 - b. Entering into the Agreement is in the best interests of Sonoma Water; and
 - c. That the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent, is anticipated to be offset by below-market energy purchases or other benefits provided under the energy service contract; and
 - d. The Board has provided the public an opportunity to comment at a noticed hearing consistent with §4217.12.
2. **California Environmental Quality Act; Notice of Exemption.** The Project is exempt from the requirements of the California Environmental Quality Act for the reasons stated in this Resolution and will not have a significant adverse effect on the environment.
3. **Authorization to Execute Agreement.** The Board approves the Microgrid Services Agreement with Scale Microgrid Solutions Operating, LLC for the 404 Aviation Boulevard

Solar System Replacement located at Sonoma Water' Administrative Headquarters in Santa Rosa with a not-to-exceed amount/price terms of \$22,167 per month for the first year and a 3 % escalator annually, substantially in the form on file with the Clerk, with such changes as the General Manager or designee, in consultation with County Counsel, deems necessary or advisable.

4. **Related Documents and Actions.** The General Manager or designee is authorized to:
 - a. Execute ancillary documents including but not limited to Photovoltaic Energy Facility Lease Agreement for Sonoma Water, Interconnection agreement with PG&E, and Renewable Energy Credits Agreement with the Power and Water Resources Pooling Authority
 - b. Take actions necessary to implement the Project, including issuance of purchase orders and change orders within the approved not-to-exceed amount
5. **Procurement Compliance.** Pursuant to Government Code §4217.10 et seq., the Board finds that formal competitive bidding is not required for the Agreement, and this action constitutes compliance with Sonoma Water's procurement requirements for energy service/alternative energy supply contracts.
6. **Severability.** If any provision of this Resolution is held invalid, the remainder shall not be affected.
7. **Effective Date.** This Resolution shall take effect immediately upon adoption.

Directors:

Hermosillo: Rabbitt: Coursey: Gore: Hopkins:

Ayes: Noes: Absent: Abstain:

So Ordered.