

RESOLUTION 11-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLIAMS MAKING FINDINGS REQUIRED FOR ENERGY SERVICES CONTRACTING AND AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE LEASE AND POWER PURCHASE AGREEMENT FOR THE SOLAR PHOTOVOLTAIC PROJECT

WHEREAS, the City of Williams ("City") is a municipal corporation organized under the laws of the State of California.

WHEREAS, City owns and controls real property at the City of Williams Waste Water Treatment Plant ("Property"); and

WHEREAS, the City undertook a competitive Request for Proposals process pursuant to Government Code section 4217.10 *et seq.* seeking proposals for the design, finance, construction, ownership, and operation of a solar photovoltaic project ("Project") to be ground-mounted at the Property pursuant to a City-granted lease and Power Purchase Agreement ; and

WHEREAS, SPG Solar was the successful proposer; and

WHEREAS, the City desires to purchase the output from the Project's solar panel system, which will be installed by SPG Solar at a negotiated price, subject to an annual fixed escalation rate, pursuant to a Power Purchase Agreement ("PPA"); and

WHEREAS, the proposed grant of a lease and PPA to SPG Solar and purchase of energy from SPG Solar would decrease the City's energy costs as well as the City's dependence on fossil fuel electric generating resources and would promote the generation of electricity from solar photovoltaic facilities; and

WHEREAS, Government Code section 4217.10 *et seq.* provides that public agencies may enter into agreements under which the public agency may purchase the energy generated from the facilities constructed on the public agency's property under an agreement so long as certain findings are made by the agency's governing body; and

WHEREAS, pursuant to Government Code section 4217.12, as a condition of entering into an energy purchase agreement, the governing body must make a finding that the anticipated cost to the entity for electrical energy services will be less than the anticipated marginal cost to the entity of electrical or other energy that would have been consumed by the entity; and

WHEREAS, Government Code section 4217.12 requires the governing body of a public entity to also find that the difference, if any, between the fair market value for the lease of the real property subject to the PPA, is anticipated to be offset by below-market energy purchases and other benefits afforded by the Project under the proposed PPA; and

WHEREAS, the terms of the proposed Lease and the Power Purchase Agreement will be finalized through negotiations between the City and SPG Solar and brought back to the Council for approval at the Council's December 14, 2011, meeting; and

WHEREAS, the Council has considered all comments received at the public hearing, prior to the adoption of this Resolution; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Williams that:

Section 1. The recitals above are true and correct.

Section 2. The Council hereby finds that, pursuant to Government Code section 4217.12, the anticipated cost to the City for electrical energy services to be purchased by the City from SPG Solar under the PPA will be less than the anticipated marginal cost to the City of electrical or other energy that would have been consumed by the City.

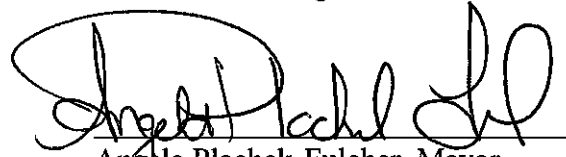
Section 3. The Council hereby finds that, pursuant to Government Code section 4217.12, that the difference, if any, between the fair market value of the lease and the proposed lease, is anticipated to be offset by below-market energy purchases under the PPA.

Section 4. The Council further authorizes the City Administrator, or designee, to finalize the PPA and Lease with consultation with Best Best & Krieger LLP, City Attorney understanding that the PPA and lease will be brought back to the Council along with any required findings under the California Environmental Quality Act, for approval at the Council's December 14, 2011, meeting.

Section 5. This Resolution is effective upon its adoption.

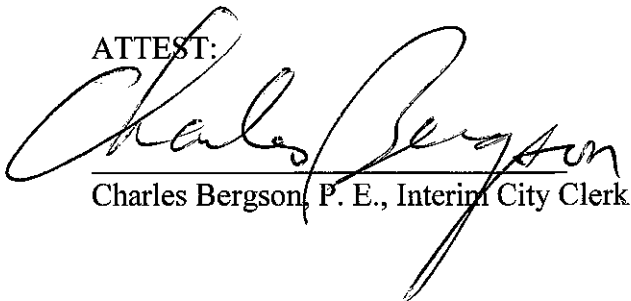
PASSED AND ADOPTED by the City Council of the City of Williams on this 16th day of November, 2011, by the following vote:

AYES: Council Members Ash, Barker, Plachek-Fulcher, Sellers,
NOES: None
ABSTAIN None
ABSENT: None
Troughton



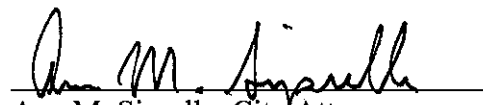
Angela Plachek-Fulcher, Mayor

ATTEST:



Charles Bergson, P. E., Interim City Clerk

APPROVED AS TO FORM:



Ann M. Siprelle, City Attorney