

RESOLUTION NO. SCV-378

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA CLARITA VALLEY WATER AGENCY
RESOLUTION MAKING FINDINGS ON ENERGY SAVINGS
AND DETERMINING OTHER MATTERS IN CONNECTION WITH
AN ENERGY SERVICES AGREEMENT AND SERVICES ORDER**

WHEREAS, it is the policy of the State of California and the intent of the State Legislature to promote all feasible means of energy conservation and all feasible uses of alternative energy supply sources; and

WHEREAS, Santa Clarita Valley Water Agency (SCV Water, Agency) desires to reduce the steadily rising costs of meeting the energy needs at its facilities; and

WHEREAS, in 2021, SCV Water purchased its 4.5 MW solar arrays located at the Rio Vista Water Treatment Plant; and

WHEREAS, the California Public Utilities Commission offers incentives to support existing, new, and emerging distributed energy sources via its Self-Generation Incentive Program (SGIP), of which this project is eligible; and

WHEREAS, in 2022, the US Congress approved the Inflation Reduction Act (IRA) that enables public agencies to receive Investment Tax Credits (ITC), for which this project is eligible; and

WHEREAS, in 2022, the SCV Water Board of Directors approved application for and incentive reservation deposits for the SGIP program; and

WHEREAS, while the Agency applied for solar and battery development at the Earl Schmidt Filtration Plant (ESFP) and battery deployment at the Rio Vista Water Treatment Plant (RVWTP), further analysis determined the ESFP project was not technically feasible where the RVWTP project is; and

WHEREAS, TerraVerde Energy, LLC (TerraVerde), conducted a proforma analysis with showing the benefits of implementing the installation of the battery energy storage facility at RVWTP estimated a positive net financial benefit over the useful life of the battery; and

WHEREAS, the Analysis includes data showing that the anticipated cost to the Agency for the electrical energy provided by the Project will be less than the anticipated cost to the Agency of electrical energy that would have been consumed by the Agency in the absence of such measures; and

WHEREAS, the site where the battery facility project (Project) will be located at RVWTP; and

WHEREAS, in 2023, the SCV Water Board of Directors adopted a Sustainability Plan that prioritizes enhanced operational redundancy, reliability, resiliency, energy efficiency, and greenhouse gas emissions reductions, of which this project will support; and

WHEREAS, Government Code section 4217.12(a)(1) authorizes a public agency to enter into an energy service contract with respect to an energy conservation facility on terms that the public agency's governing board determines are in the best interests of the public agency and if

the governing board finds that the anticipated cost to the public agency for the energy provided by the energy conservation facility under the energy contract will be less than the anticipated marginal cost to the Agency of thermal, electrical or other energy that would have been consumed by the Agency in the absence of those purchases; and

WHEREAS, the Agency proposes to enter into an energy services agreement and related contract documents ("Energy Services Agreement") with Pacifico Power, LLC ("Installation Company"), pursuant to which Installation Company will design, construct and install on Agency property certain energy saving improvements consisting of a battery energy storage facility and arrange with the local utility for interconnection of the facilities, which will generate energy savings for the site on which the facility is located; and

WHEREAS, the Agency proposes to enter into an operation and maintenance services order and related contract documents ("O&M Agreement") with Stem US Operations, Inc. ("O&M Company"), pursuant to which O&M Company will operate and maintain on Agency property certain energy saving improvements consisting of a battery energy storage facility; and

WHEREAS, the Board proposes to enter into the Energy Services Agreement and O&M Agreement substantially in the form presented at this meeting, subject to such changes, insertions or omissions as the Agency's designee reasonably deems necessary following the Board's adoption of this Resolution; and

WHEREAS, pursuant to Government Code section 4217.12, this Board has held a public hearing, public notice of which was given at least two weeks in advance, to receive public comment; and

WHEREAS, the Agency's proposed approval of the Energy Services Agreement is a "Project" for purposes of the California Environmental Quality Act ("CEQA"); and

WHEREAS, the Guidelines for CEQA, California Code of Regulations Title 14, Chapter 13 ("State CEQA Guidelines"), exempt certain projects from further CEQA evaluation, including the following: (1) projects consisting of the new construction or conversion of small structures ("Class 3 Exemption"; Cal. Code Regs., tit. 14, § 15303); (2) projects consisting of the construction or placement of minor accessory structures to existing facilities ("Class 11 Exemption"; Cal. Code Regs., tit. 14, § 15311), and the Project is categorically exempt under one or more of such exemptions; and

WHEREAS, the Project does not involve any of the following and so are eligible for a categorical exemption as described above under State CEQA Guidelines section 15300.2:

- (a) the cumulative impact of successive projects of the same type in the same place, which over time are significant;
- (b) an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances;
- (c) a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway;

(d) a hazardous waste site which is included on any list compiled pursuant to Section 65962.5 of the Government Code;

(e) a project which may cause a substantial adverse change in the significance of a historical resource.

NOW, THEREFORE, based upon the above-referenced recitals, the Board hereby finds, determines and orders as follows:

1. The above recitals are true and correct.
2. The terms of the Energy Services Agreement and O&M Agreement in the form presented to this meeting are in the best interests of the Agency.
3. In accordance with Government Code section 4217.12, and based on data provided by the Analysis, the Board finds that the anticipated cost to the Agency for electrical energy provided by the Project will be less than the anticipated cost to the Agency of electrical energy that would have been consumed by the Agency in the absence of the Project.
4. The Board hereby approves the Energy Services Agreement and O&M Agreement, in accordance with Government Code section 4217.12.
5. The Agency's designee is hereby authorized and directed to negotiate any further changes, insertions, and omissions to the Energy Services Agreement and O&M Agreement as they reasonably deem necessary, and thereafter to execute and deliver the Energy Services Agreement and O&M Agreement following the Board's adoption of this Resolution. The Agency's designee is further authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and said agreements.
6. The Project hereby found to be exempt from the requirements of CEQA pursuant to the Class 3, and Class 11 Exemptions, as described above.
7. Agency staff are hereby authorized and directed to file and process a Notice of CEQA Exemption for the Project in accordance with CEQA and the State CEQA Guidelines, and the findings set forth in this resolution.

The foregoing Resolution was adopted at a meeting of the Governing Board of the Santa Clarita Valley Water Agency on August 15, 2023 by the following vote:

Ayes: Directors Armitage, Braunstein, Colley, Cooper, Gutzeit, Marks, Martin, and Petersen

Nos: None

Absent: Director Orzechowski

Abstain: None

Jay Martin
President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular scheduled meeting of the Board of Directors of said Agency held on August 15, 2023 the foregoing Resolution No. SCV-378 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: August 15, 2023

April Jacobs
Secretary

