

**BEFORE THE BOARD OF TRUSTEES OF THE
VISTA DEL MAR UNION SCHOOL DISTRICT**

**RESOLUTION 2021-08
RESOLUTION AUTHORIZING SOLAR AGREEMENT WITH SUN PACIFIC
PURSUANT TO GOVERNMENT CODE SECTION 4217.12**

WHEREAS, California Government Code Section 4217.12 authorizes a public agency to contract for energy services without going through a formal bid process if its governing body determines, at a regularly scheduled public hearing, public notice of which is given at least two weeks in advance, that the anticipated cost to the agency for the alternative energy project will be less than the anticipated marginal cost to the agency of electrical energy that would have been consumed by the agency in the absence of the alternative energy project; and

WHEREAS, the Vista Del Mar Union School District (District) contracted with Johnson Controls to construct a solar photovoltaic project at the Vista de Las Cruces School (Solar Project) in order to generate energy cost savings and to mitigate greenhouse gas emissions; and

WHEREAS, Johnson Controls has not completed the Solar Project and the District wishes to hire Sun Pacific for a cost of \$42,000 to complete the work to connect the Solar Project to PG&E's utility system; and

WHEREAS, it is anticipated that completing the Solar Project will generate annual utility bill savings of \$28,481.87, as demonstrated in Exhibit 1: First Period Savings, a sum that will increase with inflation of energy prices, so that the Solar Project's net present value is greater than \$375,000, as demonstrated in Exhibit 2: Project Present Value Calculations; and

WHEREAS, public agencies often use Government Code section 4217.12 to help prevent potential protests and project delays; and

WHEREAS, the District desires to enter into an agreement with Sun Pacific (Agreement) substantially in the form presented at this meeting, subject to such changes, insertions or omissions as the District reasonably deems necessary following the Board's adoption of this Resolution; and

WHEREAS, in accordance with Government Code section 4217.12 et seq., on October 13, 2020, the District posted a public notice of a regularly scheduled public hearing at which the Board of Directors would consider this Resolution, and such notice was given two weeks in advance.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that per California Government Code section 4217.12 et seq., the Board of Directors hereby finds and determines that all the recitals set forth above are true and correct.

BE IT FURTHER RESOLVED AND ORDERED, that this Resolution is adopted following a public hearing at a regularly scheduled meeting of the Board of Directors for which a minimum of two weeks public notice has been duly given.

BE IT FURTHER RESOLVED AND ORDERED, that the Board of Education of the **VISTA DEL MAR UNION SCHOOL DISTRICT**, hereby approve the Superintendent or designee to perform and do all things necessary or proper to carry out or give effect to this Resolution and the Agreement, including but not limited to, negotiating any further changes, insertions and omissions to the Agreement, and the finalization and execution of the Agreement with Sun Pacific.

PASSED AND ADOPTED by the following vote of the Board of Education of the Vista Del Mar Union School District, County of Santa Barbara, State of California on November 10, 2020.

AYES: _____
NOES: _____
ABSENT: _____

President, Board of Trustees
Vista Del Mar Union School District

Exhibit 1: First Period Savings

Savings for the first operational year are estimated based on the \$24,241 in savings the original project contract projected in 2014.

$$FV = PV \left(1 + \frac{i}{n} \right)^{nt}$$

Where:

FV = Future Value

PV = Present Value

I = Interest rate in percentage terms

N = Number of compounding periods per year

T = Total number of years for the investment or loan

$$\textit{First Period Savings} = 24,241 \left(1 + \frac{0.02}{1} \right)^{1*7}$$

$$\textit{First Period Savings} = \$28,481.87$$

Exhibit 2: Project Present Value Calculations

$$PV \text{ Growing Annuity} = A(1 + g) \left[\frac{1 - \frac{(1 + g)^n}{(1 + r)^n}}{r - g} \right]$$

Where:

PV = Present Value

A= Annuity (first period savings)

G= Expected growth rate (based on average growth of energy prices over the last 10 years)

R = Discount rate

N = Number of years over which cash flows are received or paid

PV Solar Project

$$= 28,481.87(1 + 0.023) \left[\frac{1 - \frac{(1 + 0.023)^{25}}{(1 + 0.07)^{25}}}{0.07 - 0.023} \right] - 42,000$$

$$PV \text{ Solar Project} = \$377,577.08$$