

RESOLUTION NUMBER 3851

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING PERFORMANCE CONTRACTING SERVICES FOR ENERGY RETROFIT MEASURES AND PHOTO-VOLTAIC INSTALLATION AND SERVICES

WHEREAS, Honeywell International, Inc., a \$26B Fortune 100 company (“Honeywell”), has completed its engineering studies as authorized under a Letter of Intent issued by the City Council on October 31, 2006; and

WHEREAS, Honeywell has further submitted a proposed energy service contract to provide the City of Perris with a self-funded program that uses energy savings to retrofit selected City Facilities with more cost-effective and energy efficient equipment; and

WHEREAS, Honeywell also proposes to construct and maintain photo-voltaic systems configured as free-standing structures that will provide shaded parking to five City properties including: Civic Center Complex, Public Library, Firehouse #90, Senior Center and the Public Works Corporate yard; and

WHEREAS, this program will deliver a turnkey design-build program that will be paid for from energy savings guaranteed by Honeywell and, as a result, will be budget neutral and not require any new funds or debt capacity impact; and

WHEREAS, the value of the energy retrofits is \$402,791 and will be paid through a tax-exempt municipal lease with Honeywell Global Finance. The photo-voltaic systems will be provided to the City on a pay-for-use services basis (Power Purchase Agreement) requiring no additional capital funding; and

WHEREAS, this procurement approach is in full compliance with California Government Code Chapter 3.2 (commencing with Section 4217.10) Division 5, Title 1 which provides that a public agency may enter into an energy service contract and facility financing contract following a public hearing and upon making certain findings described herein; and

WHEREAS, the annual savings guarantee from Honeywell is greater than or equal to the annual lease payment and the lease agreement includes annual non-appropriation language as required by State statute; and

WHEREAS, the City Council held a duly noticed public hearing on December 12, 2006 to consider the award of an energy services contract and facility financing contract.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, California:

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. Pursuant to Government Code Section 4217.12, the City Council finds that the anticipated cost to the City for the electrical energy and energy conservation services provided by the energy conservation facility under the energy service contract will be less than the anticipated marginal cost to the City of the electrical energy that would have been consumed by the City in the absence of those purchases.

Section 3. Pursuant to Government Code Section 4217.13, the City Council finds that funds for the repayment of the financing or the cost of design, construction, and operation of the energy conservation facility, or both, as required by the facility financing contract, are projected to be available from revenues resulting from sales of electricity from the facility or from funding that otherwise would have been used for purchase of electrical energy required by the City in the absence of the energy conservation facility.

Section 4. Pursuant to Government Code Section 4217.16, the City Council has considered, among other factors, the experience of Honeywell in providing such services, the type of technology to be employed by Honeywell, and the cost to the City.

Section 5. Based on the foregoing findings and recitals, the City Council hereby awards an energy service contract and facility financing contract to Honeywell, including a municipal financing lease with Honeywell Global Finance. The City Manager or his designee is authorized to execute the foregoing agreements, lease, and other related documents necessary to implement this project.

Section 6. The City Clerk shall certify as to the adoption of this Resolution.

ADOPTED, SIGNED and APPROVED this 12th day of December, 2006.

Mayor, Daryl R. Busch

ATTEST:

City Clerk, Judy L. Haughney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Judy L. Haughney, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3851 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 12th day of December, 2006, and that it was so adopted by the following called vote:

AYES: Rogers, Yarbrough, Landers, Motte, Busch
NOES:
ABSENT:
ABSTAIN:

City Clerk, Judy L. Haughney