

## RESOLUTION NO. 2021-20

### RESOLUTION TO AUTHORIZE ENTERING INTO A POWER PURCHASE AGREEMENT, SITE LEASE, AND AUTHORIZING THE FILING OF A NOTICE OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

**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**, Yucaipa Valley Water District (“District”) desires to reduce the steadily rising costs of meeting the energy needs at its facilities; and

**WHEREAS**, the District requested proposals from qualified firms to design and build two photovoltaic systems, with battery storage and backup natural gas generators, at two locations: the Henry N. Wochholz Regional Water Recycling Facility Project and the Yucaipa Valley Regional Water Filtration Facility; and

**WHEREAS**, the Board of Directors proposes to enter into two power purchase agreements and related contract documents (“Power Purchase Agreements” or “PPAs”) and facility ground lease (“Site Lease”) with California Solar 3, LLC, a subsidiary of Engie USA (“Engie”), pursuant to which Engie will design, construct, install, maintain, and operate on District property certain energy saving improvements consisting of solar photovoltaic facilities and battery storage systems and arrange with the local utility for interconnection of the facilities, which will generate energy for the sites on which such facilities are located; and

**WHEREAS**, the District has completed an analysis showing that the anticipated cost to the District for the electrical energy provided by the PPAs will be less than the anticipated marginal cost to the District of electrical energy that would have been consumed by the District in the absence of those purchases; and

**WHEREAS**, the Board of Directors proposes to enter into the Power Purchase Agreements, and Site Lease substantially in the form presented at this meeting, subject to such changes, insertions or omissions as the General Manager or his designee deems reasonably necessary following the District board’s adoption of this Resolution; and

**WHEREAS**, the District’s proposed approval of the Power Purchase Agreements is a project for purposes of the California Environmental Quality Act (“CEQA”); and

**WHEREAS**, the state CEQA Guidelines (14 Cal. Code Reg. § 1500 et seq.) exempts certain projects from further CEQA evaluation, including the following: (1) projects that involve minor alterations to existing facilities (14 Cal. Code Reg., § 15301, “Class 1”); (2) minor alterations to land (14 Cal. Code Reg., § 15302, “Class 4”); and (4) the construction or placement of minor accessory structures to existing facilities (14 Cal. Code Reg., § 15311, “Class 11”); and the Project is categorically exempt under one or more of such exemptions; and

**WHEREAS**, installation of the renewable energy facilities pursuant to Power Purchase Agreements does not involve any of the following unusual circumstances under CEQA

Guidelines section 15300.2 and so the Power Purchase Agreements are eligible for a categorical exemption:

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

**WHEREAS**, Public Resources Code section 21080.35 statutorily exempts from CEQA evaluation the installation of a solar energy system, including associated equipment, at an existing parking lot; and

**WHEREAS**, the Board of Directors finds that portions of the system are to be installed on graveled areas adjacent to existing roadways which the District has or could have used for parking, and such areas are exempt from CEQA review pursuant of Public Resources Code section 21080.35, and none of the following are required:

- (a) the removal of a tree required to be planted, maintained, or protected pursuant to local, state, or federal requirements, unless the tree dies and there is no requirement to replace the tree; or
- (b) the removal of a native tree over 25 years old; or

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

1. The Board of Directors finds that the terms of the Power Purchase Agreements and Site Lease are in the best interests of the District, and the Board of Directors hereby approves the Power Purchase Agreements and Site Lease, subject to such changes, insertions or omissions as the District General Manager or his designee reasonably deems necessary.
2. The General Manager or designee is hereby authorized and directed to negotiate any further changes, insertions and omissions to the Power Purchase Agreement and Site Lease as he reasonably deems necessary, and thereafter to execute and deliver the Power Purchase Agreements and Site Lease following the District board's adoption of this Resolution. The District General Manager or 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.

3. Adoption of the Power Purchase Agreements and Site Lease is hereby found to be exempt from the requirements of CEQA pursuant to the Class 1, Class 4, and Class 11 exemptions, as described above.
4. Adoption of the Power Purchase Agreements is hereby found to be exempt from the requirements of CEQA pursuant to Public Resources Code section 21080.35, as described above.
5. District staff is hereby directed to file a Notice of Exemption for the Project in accordance with CEQA, the CEQA Guidelines, and the findings set forth in this Resolution.

This Resolution was adopted at a meeting of the Board of Directors of Yucaipa Valley Water District on April 13, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

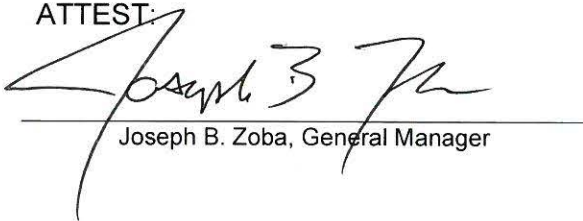
YUCAIPA VALLEY WATER DISTRICT



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Chris Mann, President Board of Directors

ATTEST:



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Joseph B. Zoba, General Manager