

**NOTICE AND AGENDA**

JOINT MEETING OF THE MOUNTAIN VIEW CITY COUNCIL (REGULAR) AND  
THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY (SPECIAL) –

TUESDAY, MAY 8, 2012

CITY HALL – 500 CASTRO STREET

5:00 P.M.—STUDY SESSION

6:30 P.M.—REGULAR SESSION

**5:00 P.M.—STUDY SESSION (TO BE HELD IN THE PLAZA CONFERENCE ROOM)**

**1. CALL TO ORDER**

**2. ROLL CALL**—Councilmembers Abe-Koga, Bryant, Macias, Means, Siegel,  
Vice Mayor Inks and Mayor Kasperzak.

**3. STUDY SESSION**

**3.1 FISCAL YEAR 2012-13 COUNCIL GOALS**

The City Council will hear a presentation and discuss final direction on Major Goals and Initiatives Fiscal Year 2012-13.

**6:30 P.M.—REGULAR SESSION (TO BE HELD IN THE COUNCIL CHAMBERS)**

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

**2. ROLL CALL**—Councilmembers Abe-Koga, Bryant, Macias, Means, Siegel,  
Vice Mayor Inks and Mayor Kasperzak.

**3. PRESENTATIONS**

**3.1** Certificate recognizing the City of Mountain View's efforts in the Healthy Eating Active Living (HEAL) Cities campaign

**3.2** Energy Upgrade Mountain View to be presented by Steve Attinger,  
Environmental Sustainability Coordinator

#### 4. **CONSENT CALENDAR**

These items will be approved by one motion unless any member of the Council or audience wishes to remove an item for discussion. The reading of the full text of ordinances and resolutions will be waived unless a Councilmember requests otherwise.

**4.1 APPROVAL OF MINUTES**—Approve minutes for the City Council Meetings of (1) April 17, 2012 (Special), (2) April 21, 2012 (Special), (3) April 24, 2012 (Regular) and (4) Mountain View Shoreline Regional Park Community Special Meeting of September 13, 2011.

**4.2 APPOINTMENT TO THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY BICYCLE/PEDESTRIAN ADVISORY COMMITTEE**—Approve the Council Transportation Committee (CTC) recommendation to appoint Marc Roddin as the City of Mountain View's representative to the Santa Clara Valley Transportation Authority (VTA) Bicycle/Pedestrian Advisory Committee (B/PAC) from July 1, 2012 to December 31, 2012.

**4.3 POWER PURCHASE AGREEMENT**—Authorize the City Manager to execute a Power Purchase Agreement (PPA) with 510nano, Inc. (dba Silicon Valley Solar, LLC) of Washington, D.C., to design, build, install, maintain and supply electric power from solar photovoltaic (PV) systems at the Shoreline Maintenance Facility and Shoreline Golf Links Pro Shop. Both 510nano, Inc. and Silicon Valley Solar, LLC will be signatories to the PPA and will be jointly and severally liable for all obligations under the PPA.

#### **4.4 AUTHORIZE COUNTY-WIDE AB 939 IMPLEMENTATION FEE AND COUNTY-WIDE HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM AGREEMENTS, FISCAL YEARS 2012-15**

1. Authorize the City Manager, or designee, to:
  - a. Execute agreements with the County of Santa Clara to collect and administer the County-wide AB 939 Implementation Fee and County-wide Household Hazardous Waste (HHW) Program from July 1, 2012 through June 30, 2015, including augmentation funding of \$45,000 annually; and
  - b. Increase the yearly augmentation amount, if needed, based upon actual participation and program costs during each year of the agreement.

2. Increase the \$30,000 augmentation previously approved for Fiscal Year 2011-12 by an additional \$15,000, for a total augmentation of \$45,000.

**4.5 STEVENS CREEK TRAIL—EVELYN AVENUE ACCESS POINT AND BRIDGE LANDINGS IMPROVEMENTS—AMEND BUDGET/APPROVE PLANS AND SPECIFICATIONS/AUTHORIZE BIDS**

1. Appropriate \$84,000 from the Construction/Conveyance Tax Fund to Stevens Creek Trail—Evelyn Avenue Access Point and Bridge Landings Improvements, Project 12-34. (Five votes required)
2. Approve Plans and Specifications for Stevens Creek Trail—Evelyn Avenue Access Point and Bridge Landings Improvements, Project 12-34, and authorize staff to advertise the project for bids.
3. Authorize the City Manager to award the construction contract to the lowest responsible bidder if the low bid is within the project budget.

**4.6 CHURCH STREET IMPROVEMENTS, CALDERON AVENUE TO CASTRO STREET, PROJECT 11-39—APPROVE PLANS AND SPECIFICATIONS/AUTHORIZE BIDS**

1. Authorize the transfer of \$100,000 from remaining funds available in 2008-09 Miscellaneous Storm and Sanitary Sewer Main Replacement, Project 09-22, to Church Street Improvements, Calderon Avenue to Castro Street, Project 11-39. (Five votes required)
2. Authorize the transfer of \$90,000 from 2011-12 Miscellaneous Storm and Sanitary Sewer Main Replacement, Project 12-22, to Church Street Improvements, Calderon Avenue to Castro Street, Project 11-39. (Five votes required)
3. Authorize the City Manager to execute an amendment to the design service contract with CSG Consultants, Inc. (CSG) of San Mateo to increase the total fee by \$10,620 for a new not-to-exceed total of \$119,285.
4. Approve plans and specifications for Church Street Improvements, Calderon Avenue to Castro Street, Project 11-39, and authorize staff to advertise the project for bids.
5. Authorize the City Manager to award the construction contract to the lowest responsible bidder if the low bid is within the project budget.

**4.7 2012-13 STREET LANE LINE AND LEGEND REPAINTING AND DOWNTOWN PARKING STRUCTURES AND LOTS RESTRIPING—APPROVE PLANS AND SPECIFICATIONS/AUTHORIZE BIDS**

1. Approve plans and specifications for 2012-13 Street Lane Line and Legend Repainting, Project 13-12, and Downtown Parking Structures and Lots Restriping, Project 13-27, and authorize staff to advertise the project for bids.
2. Authorize the City Manager to award the construction contract to the lowest responsible bidder if the low bid is within the project budget.

**4.8 WELL NO. 19 PUMP AND MOTOR CONTROL UPGRADES, PROJECT 11-04—APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE BIDDING**—Approve plans and specifications for Well No. 19 Pump and Motor Control Upgrades, Project 11-04, authorize staff to advertise the project for bids and authorize the City Manager to award a construction contract to the lowest responsible bidder if the low bid is within the project budget.

**4.9 MOFFETT GATEWAY PROPERTY—PREPARATION FOR DEVELOPMENT, PROJECT 12-43—AUTHORIZE PROFESSIONAL SERVICES AGREEMENT**—Authorize the City Manager or his designee to execute a professional services agreement with Bureau Veritas North America, Inc. (Bureau Veritas) to provide environmental site investigation services in support of Moffett Gateway Property—Preparation for Development, Project 12-43, in an amount not to exceed \$285,000.

**4.10 STREET CLOSURE, SOUND AMPLIFICATION, FESTIVAL AREA DESIGNATION AND ANIMAL BAN FOR THE CHAMBER OF COMMERCE ART AND WINE FESTIVAL**

1. **Resolution No. \_\_\_\_**—Adopt A RESOLUTION TO APPROVE THE CLOSURE OF CERTAIN STREETS IN THE DOWNTOWN AREA FROM 2:00 A.M. ON SATURDAY, SEPTEMBER 8, 2012, TO 2:00 A.M. ON MONDAY, SEPTEMBER 10, 2012, FOR THE CHAMBER OF COMMERCE ART AND WINE FESTIVAL, to be read in title only, further reading waived.
2. Approve the operation of a sound amplification device by the applicant between 10:00 a.m. and 6:00 p.m., Saturday, September 8, 2012, and between 10:00 a.m. and 6:00 p.m., Sunday, September 9, 2012, within the festival area, under conditions as specified.

3. Approve a festival area designation for the area of street closure on Saturday, September 8, 2012, and Sunday, September 9, 2012.
4. Approve an animal ban as requested by the applicant within the festival area designation.

**4.11 Resolution No. \_\_\_\_\_—AMENDMENT TO COUNCIL POLICY A-13—**  
Adopt A RESOLUTION OF THE CITY COUNCIL, AMENDING COUNCIL POLICY A-13 REGARDING MOTIONS FOR RECONSIDERATION, to be read in title only, further reading waived (Attachment 2 to the staff report).

**4.12 SUPPLEMENTAL BUDGET APPROPRIATION FOR FISCAL YEAR 2011-12 FUEL EXPENSES**

1. Increase revenues and appropriations in the Fleet Services Section budget by \$180,000 to fund increased fuel costs in Fiscal Year 2011-12. (Five votes required)
2. Appropriate and transfer \$137,000 from the General Fund Reserve to corresponding General Fund departments and increase appropriations in these departments for fuel costs as detailed in Attachment 1 to the staff report. (Five votes required)
3. Increase appropriations in the Water, Wastewater, Solid Waste, Fleet Services and Shoreline Community Funds by \$43,000 for fuel costs as detailed in Attachment 1 to the staff report. (Five votes required)

**4.13 PROJECTS 11-21 AND 11-22, AND PROJECT 12-41—APPROVE PLANS AND SPECIFICATIONS/AUTHORIZE BIDDING**

1. Authorize the transfer of \$80,000 from the 2011-12 Miscellaneous Water Main Replacement, Project 12-21, to the 2010-11 Miscellaneous Water Main Replacement, Project 11-21. (Five votes required)
2. Approve plans and specifications for the combined 2010-11 Miscellaneous Water and Sanitary Sewer Main Replacement, Phase II, Projects 11-21 and 11-22, and Trash Capture Demonstration Project, Project 12-41, authorize staff to advertise the project for bids and authorize the City Manager to award a construction contract to the lowest responsible bidder if the low bid is within the project budget.

**4.14 INTERGOVERNMENTAL AGREEMENT REGARDING PARTICIPATION IN THE NORTHERN SANTA CLARA COUNTY GANG TASK FORCE—**  
Authorize the City Manager to execute an intergovernmental agreement regarding

Police Department participation in the Northern Santa Clara County Gang Task Force.

**4.15 INTERGOVERNMENTAL AGREEMENT REGARDING PARTICIPATION IN THE UNITED STATES DEPARTMENT OF THE TREASURY FINANCIAL CRIMES TASK FORCE**—Authorize the City Manager to execute an intergovernmental agreement regarding Police Department participation in the United States Department of Treasury Financial Crimes Task Force.

**4.16 GENERAL PLAN ENVIRONMENTAL IMPACT REPORT CONTRACT AMENDMENT**—Authorize the City Manager or designee to execute a contract amendment with LSA, Inc., for environmental consulting services related to the General Plan Environmental Impact Report (EIR) in an amount not to exceed \$95,640.

5. **PUBLIC HEARING**—None.

6. **ORAL COMMUNICATIONS FROM THE PUBLIC ON NONAGENDIZED ITEMS**

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda. Speakers are allowed to speak on any number of topics for one three-minute period during the meeting. State law prohibits the Council from acting on nonagenda items.

7. **NEW BUSINESS**

**7.1 PARTICIPATION IN THE SILICON VALLEY ANIMAL CONTROL AUTHORITY**

1. Authorize the City Manager to enter into an intergovernmental agreement allowing the City to become a member of the Silicon Valley Animal Control Authority (SVACA), a Joint Powers Authority (JPA).
2. Appropriate and transfer funds of \$120,000 from CIP No. 403170 to a new mid-year Capital Improvement Project (CIP) titled Silicon Valley Animal Control Authority. (Five votes required)

**7.2 REGIONAL BIKE SHARE PILOT PROGRAM**

1. Approve the Council Transportation Committee's (CTC's) recommended bike share station locations in Mountain View.

2. Waive all City encroachment permit fees for the installation of the bike stations on City property.
3. Authorize the City Manager, or his designee, to execute any/all agreements required for the Regional Bike Share Pilot Program.

### **7.3 RAIL CROSSING POLICY STATEMENT AND WORK PLAN FOR EVALUATING RAIL CROSSING ALTERNATIVES**

1. Adopt a policy statement for at-grade rail crossings in Mountain View.
2. Discuss and provide direction on whether or not to proceed with the proposed work plan and schedule for the evaluation of rail crossing alternatives at Castro Street and Rengstorff Avenue.

### **8. COUNCIL, STAFF/COMMITTEE REPORTS**

No action will be taken on any questions raised by the Council at this time.

### **9. CLOSED SESSION REPORT**

### **10. ADJOURNMENT**

The next Regular Council Meeting will be held on Tuesday, May 22, 2012, at 6:30 p.m. in the Council Chambers, 500 Castro Street.

### **NOTICE**

There is a 90-day limit for the filing of a challenge in Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting. For information on the next regular or special City Council meeting, please call (650) 903-6304.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office, 500 Castro Street, Third Floor, during normal business hours and at the Council Chambers at City Hall, Second Floor, during the meeting. In addition, such writings and documents will be posted on the City's web site at [www.mountainview.gov](http://www.mountainview.gov).

WW/7/CLK/429-05-08-12A^

## COUNCIL MEETINGS AND AGENDA

- The City Council meets regularly on the second and fourth Tuesday of each month at 6:30 p.m. in the Council Chambers at City Hall, 500 Castro Street, Second Floor. Special meetings are called as necessary by the Mayor and noticed at least 24 hours in advance.
- Interested parties may review the agenda, minutes and staff reports at the Mountain View Library, 585 Franklin Street, beginning the Thursday evening before each meeting and at the City Clerk's Office, 500 Castro Street, Third Floor, beginning Friday morning. Agenda materials may also be viewed electronically at [www.mountainview.gov](http://www.mountainview.gov). Staff reports are also available at the Council Chambers during the meeting.
- SPECIAL NOTICE—Reference: Americans with Disabilities Act, 1990. Anyone who is planning to attend the next City Council meeting who is visually or hearing-impaired or has any disability that needs special assistance should call the City Clerk's Office at 903-6304 48 hours in advance of the Council meeting to arrange for assistance. Upon request, in advance, by a person with a disability, City Council meeting agendas and writings distributed during the meeting that are public records will be made available in the appropriate alternative format. Also upon request, in advance, an assistive listening device can be made available for use during the meeting.
- The Council meetings are cablecast live on Channel 26 on the Mountain View Comcast cable system and are replayed on Wednesday at 6:30 p.m. and on Saturday at 11:00 a.m. following that week's Council meeting. If there is a live Environmental Planning Commission meeting on a Wednesday, the replay of the City Council meeting will be on a Thursday at 6:30 p.m. In addition, Council Regular meetings are webcasted, and interested persons may visit the City's web site at [www.mountainview.gov](http://www.mountainview.gov) to watch the meetings live on their computer, laptop or PDA device. Archived broadcasts of previous meetings may also be accessed and watched on-line.
- The Council may take action on any matter noticed herein, and their consideration and action on the matters noticed herein is not limited by the recommendations indicated in the Agenda or staff report(s). The Council may consider and act on items listed on the agenda in any order and thus all those interested in an item listed on the agenda are advised to be present throughout the meeting (see Policy and Procedure A-13). The reading of the full text of ordinances and resolutions will be waived unless a Councilmember requests otherwise.
- By policy, no new items of business will be started after 10:00 p.m., unless an exception is made by vote of the Council.

## ADDRESSING THE COUNCIL

- Interested persons are entitled to speak on any action item listed on the agenda and are requested to fill out the blue cards available at the rear of the Council Chambers and deposit them with the clerk or at the podium as soon as completed. This will assure that your name and city of residence are accurately recorded in the minutes and that your interest in speaking is recognized. If you wish to speak and are not recognized by the Mayor, please approach the podium prior to completion of discussion on the item. Speakers are allowed up to three minutes each, and if a large group wishes to express its views, it is more effective to have one spokesperson.
- Items on the "Consent Calendar" are not discussed individually but are approved as a group with one motion. If a citizen wishes to speak on an item on the Consent Calendar, he or she may come to the podium at the time announced by the Mayor and request that the item be pulled for discussion by the Council.
- Anyone wishing to address the Council on a nonagenda item may do so during the "Oral Communications" part of the agenda. Speakers are allowed to speak one time on any number of topics for up to three minutes.
- Reducing Time For Public Input: For any single agendized item and for Oral Communications from the Public, if there appears to be 15 or more speakers and the Council might not be able to conclude the scheduled agenda items for the meeting if speakers were allotted three (3) minutes each, the Mayor may reduce speaking time to no less than two (2) minutes per speaker unless there is an objection from Council, in which case majority vote shall decide the issue without debate.



# COUNCIL REPORT



CITY OF MOUNTAIN VIEW

AGENDA: May 8, 2012

4.3

CATEGORY: Consent

DEPT.: Public Works

TITLE: Power Purchase Agreement

## RECOMMENDATION

Authorize the City Manager to execute a Power Purchase Agreement (PPA) with 510nano, Inc. (dba Silicon Valley Solar, LLC) of Washington, D.C., to design, build, install, maintain and supply electric power from solar photovoltaic (PV) systems at the Shoreline Maintenance Facility and Shoreline Golf Links Pro Shop. Both 510nano, Inc. and Silicon Valley Solar, LLC will be signatories to the PPA and will be jointly and severally liable for all obligations under the PPA.

## FISCAL IMPACT

Staff estimates the City will save approximately \$245,000 in energy costs at the two facilities (compared to anticipated PG&E costs) during the 20-year term of the PPA.

City up-front costs associated with the installation of the PV systems at the Shoreline Maintenance Facility and Shoreline Golf Links Pro Shop (e.g., site survey work, project management, technical assistance) are estimated at \$93,000. Staff recommends funding these costs through Project 10-33, AB 2466 Renewable Energy Facility Evaluation. Although the PPA is not an AB 2466-related project (i.e., installation of renewable energy systems at a City facility to offset electricity costs at a different City facility), it does support the goal of increasing the number of renewable energy systems installed at City facilities. There are no plans at this time to pursue an AB 2466-related project as the unfavorable rate tariff approved by the California Public Utilities Commission (CPUC) undermines the financial viability of such projects.

## BACKGROUND AND ANALYSIS

On January 19, 2010, the City Council authorized City participation in the multi-jurisdictional cooperative led by Santa Clara County to purchase renewable energy through the creation of a regional PPA and approved the Shoreline Maintenance Facility and Shoreline Golf Links Pro Shop as candidate locations for the installation of photovoltaic (PV) solar panels.

---

<sup>1</sup> Local agencies participating in the cooperative include Santa Clara County, City of Milpitas, Town of Los Gatos, City of Pacifica, South Bayside Waste Management Authority, City of Morgan Hill, Santa Clara Valley Transportation Authority, City of Cupertino and City of Mountain View.

**AGENDA:** May 8, 2012

**PAGE:** 2

On March 29, 2010, the County released a Request for Proposals (RFP) to firms qualified to design and install PV systems at the locations designated by participating agencies and sell the resulting electricity to the agencies. EcoPlexus, Inc. (EcoPlexus) of San Francisco was selected to install PV systems at the Shoreline Maintenance Facility and Shoreline Golf Links Pro Shop.

The PV installation at the Shoreline Maintenance Facility will include solar panels located on the building roof and mounted on carport structures next to and behind the facility. This 45 kilowatt (kW) system has been sized to eliminate almost 100 percent of PG&E electricity costs at the facility. The carports will also shade golf course and Shoreline maintenance equipment from sun damage.

The 91 kW PV installation proposed for the Shoreline Golf Links Pro Shop will include solar panels located on carport structures in the parking lot and has been designed to eliminate almost 100 percent of PG&E electricity costs at the facility. In addition to powering the building, the electricity will be used to charge the golf carts.

On July 5, 2011, the Council authorized the Interim City Manager to execute a PPA with EcoPlexus (dba Fresh Air Energy-II, LLC). The agreement terms provided EcoPlexus with six months to secure the financing for the project. If financing could not be secured within the six months, EcoPlexus could cancel the contract. EcoPlexus was not able to raise the financing required for its Mountain View installations, and on January 5, 2012 formally cancelled its PPA with Mountain View (Attachment 1). The Town of Los Gatos, another municipality from the PPA cooperative, was also affected by EcoPlexus' inability to secure financing and is executing a new PPA with 510nano, Inc. as well.

Since late 2011, Public Works staff has been working to find alternatives to the EcoPlexus PPA. After speaking with several companies, staff identified 510nano, Inc., a renewable energy technology firm with previous experience executing PPA contracts, as willing to enter into a PPA with the City *under the same terms as the original Council-approved contract*. Public Works, Finance and Administrative Services, and City Attorney's Office staff conducted full due diligence on 510nano, Inc. and their Morgan Hill-based partner company, Fresco Solar, which recently completed a well-regarded solar power installation on the Los Gatos Library. To ensure that 510nano, Inc. does not cancel its contract with the City due to an inability to secure financing, staff received a letter of commitment from 510nano, Inc. guaranteeing its ability to finance the project. In addition, staff replaced the sections of the original contract that enabled EcoPlexus to cancel the contract if they could not attain financing with a section that confirms that 510nano, Inc. has secured financing.

Since the original PPA with EcoPlexus was established through a competitive bidding process, staff does not believe that better terms could be obtained with a new Request for Proposals. Staff therefore recommends awarding the PPA to 510nano, Inc., a well-qualified vendor that is willing to perform with the same terms as the original contract.

Mountain View PPA Overview

Under the terms of the recommended PPA, 510nano, Inc. will design, construct, own and maintain the PV systems. 510nano, Inc. will sell the electricity generated at each of the two sites to the City for \$0.20 per kilowatt hour (kWh), increasing 3 percent annually, which is lower than the average annual PG&E increase of 4.5 percent.

At the end of the 20-year PPA term, the City will have the option of extending the agreement for an additional 5-year period, purchasing either one or both of the PV systems and assuming responsibility for their operation, or requiring 510nano, Inc. to remove the systems and restore the facilities to their original condition.

A more detailed summary of the key provisions of the proposed PPA with 510nano, Inc. is provided in Attachment 2.

The following table provides a summary of the two solar systems planned under the PPA.

| Location             | System Size (kW) | Estimated Annual Production (kWh) | Percentage Reduction in PG&E Bill <sup>2</sup> | Estimated 20-Year Savings Compared to PG&E | Estimated Annual CO <sub>2</sub> Reductions (metric tons) |
|----------------------|------------------|-----------------------------------|--|--|---|
| Maintenance Facility | 45               | 60,222                            | 100—91%  | \$113,844                                  | 13  |
| Golf Links Pro Shop  | 91               | 121,782                           | 99—90%   | 130,245                                    | 28  |
| <b>TOTAL</b>         |                  | <b><u>182,004</u></b>             |  | <b><u>\$244,089</u></b>                    | <b><u>41</u></b>  |

Staff has calculated the estimated 20-year life-cycle cost (in net present value terms) of the PPA and compared the estimated costs to two other power purchase scenarios: continuing to purchase power from PG&E and City construction and installation and operation of the PV systems. The cost calculation for the PPA option includes approximately \$50,000 in California Solar Initiative (CSI) rebates the City has applied for and will be receiving. The PPA option has the lowest life-cycle costs during the expected 20-year term of the PPA. Assuming a 3 percent net present value discount rate, the 20-year life-cycle cost (for both facilities) of the PPA option is \$842,000, compared to \$905,000 if the City continues to purchase electricity from PG&E and \$914,000 if the City installs and operates the two PV systems itself.

<sup>2</sup> There will be some degradation of the performance of the systems during their anticipated 20- to 25-year life (approximately 0.5 percent per year), reducing the amount of avoided PG&E electricity costs over time.

**AGENDA:** May 8, 2012

**PAGE:** 4

If the PPA is approved by the Council, staff expects construction of the solar PV systems to begin this summer and be completed by the end of calendar year 2012.

**CONCLUSION**

Staff recommends City Council approval of the proposed PPA and installation of the proposed solar PV systems as a cost-effective way for the City to increase its use of renewable energy, decrease energy costs and make progress toward its GHG emissions reduction targets.

**PUBLIC NOTICING**—Agenda posting.

Prepared by:



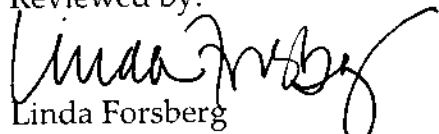
Steve Attinger  
Environmental Sustainability Coordinator

Approved by:

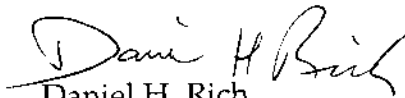


Michael A. Fuller  
Public Works Director

Reviewed by:



Linda Forsberg  
Transportation and Business Manager



Daniel H. Rich  
City Manager

SA/2/CAM

916-05-08-12M-E^

- Attachments: 1. EcoPlexus Letter of PPA Cancellation  
2. Key Provisions of PPA with 510nano, Inc.



650 Townsend Street Suite 310  
San Francisco, CA 94103

T 415 626 1802  
F 415 449 3466

ecoplexus.com

January 5, 2012

Steve Attinger  
City of Mountain View  
500 Castro Street, PO Box 7540  
Mountain View, CA 94039

Dear Mr. Attinger:

As you are aware from our recent conversations, we are committed to assisting the City of Mountain View in meeting the City's objectives with regard to the originally contemplated solar projects and others. As such, we are working closely with Solar City to try to move the Shoreline projects forward as well as reviewing potential alternatives for the City to utilize solar energy to create budget savings.

In light of the above developments and pursuant to the deadlines outlined in the Section 2.6 of the Power Purchase Agreement(s) between the City of Mountain View and Fresh Air Energy - II, LLC (FAE) with effective date of July 5, 2011, Ecoplexus and FAE hereby notify the City of Mountain View that FAE will exercise its right to cancel the contract(s).

We will continue to work diligently with the City to develop a satisfactory resolution for the City. Thanks for your patience.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Gorman".

John Gorman



**POWER PURCHASE AGREEMENT (PPA) BETWEEN THE  
CITY OF MOUNTAIN VIEW AND 510NANO, INC.**

**KEY PROVISIONS**

| Provision  | Explanation/Comment  |
|--|--|
| Scope  | 510nano, Inc. will design, construct, own, operate and maintain solar photovoltaic (PV) systems on designated City facilities. Electricity generated will be sold to the City at a contracted price. |
| Designated City Facilities/<br>PV System Locations   | Shoreline Maintenance Facility and<br>Golf Links Pro Shop  |
| Configuration and System Size  | Shoreline Maintenance Facility<br>— Rooftop panels and carport structures<br>— 45kW generation capacity  |
|  | Golf Links Pro Shop<br>— Carport structures<br>— 91kW generation capacity  |
| Percent of PG&E Costs Eliminated<br><br><i>(Assumes an annual performance<br/>degradation rate of 0.5 percent)</i> | Shoreline Maintenance Facility:<br>100 percent—91 percent  |
|  | Golf Pro Shop:<br>99 percent—90 percent  |
| Anticipated Commercial<br>Operation Date   | Summer to fall 2012  |
| City Purchase of Electricity   | City responsible for purchasing contracted quantities of electricity. City has first option to purchase any electricity generated in excess of its contracted amount.                                |
| Contracted Price for Electricity   | \$0.20/kWh, escalating 3 percent per annum.  |
| Term   | 20 years, with the possibility of one 5-year extension.  |

### KEY PROVISIONS (Continued)

| Provision                        | Explanation/Comment  |
|----------------------------------|--|
| Purchase Option                  | After 10 years, City can purchase either/both PV systems at fair-market value. (Process for determining fair-market value is set forth in the agreement.)  |
| Design and Construction          | 510nano, Inc. is responsible for all design, construction, permitting, inspection and fees. Minimum milestones are set forth in the agreement. Additional milestones will be mutually agreed to. Work must comply with all applicable Federal, State and local codes, statutes, laws, regulations and ordinances.  |
| System Maintenance and Operation | 510nano, Inc. is responsible for operating and maintaining the PV systems according to the agreement and all other applicable laws, regulations, industry standards, etc.<br><br>510nano, Inc. is responsible for negotiating interconnection agreement with PG&E and all interconnection costs.   |
| Removal of PV Systems            | 510nano, Inc. is responsible for removing PV-related equipment/structures and restoring City facilities to their original condition.<br><br>Agreement requires 510nano, Inc. to establish a bond, deposit account or guarantee (Removal and Disposal Fund) to ensure funds are available for removal of PV systems and site restoration if the agreement expires or is terminated. |
| City Option to Terminate         | City can terminate agreement at any time. However, if the City terminates the agreement before 10 years, a Termination Payment must be made. (Methodology to calculate the payment amount is set forth in the agreement.)  |
| Representations and Warranties   | In signing the contract, 510nano, Inc. is indicating its ability to finance the project.   |

KEY PROVISIONS (Continued)

| Provision                                | Explanation/Comment   |
|--|---|
| Utility Users Tax (UUT)<br>Applicability | PPA language exempts 510nano, Inc. from the application of current or future UUT related to the use or sale of energy it generates in Mountain View. City Attorney's Office has indicated that the City's UUT would likely not apply to any of 510nano, Inc.'s operations in Mountain View because the City is the intended sole purchaser and recipient of the solar energy produced. The inclusion of the exemption language was mandated by 510nano, Inc.'s financier. Therefore, the City will be deemed to have waived the application of the tax, if any, for the duration of the contract. |

SA/2/PWK  
916-04-18-12A-E^