

RESOLUTION NO. 2025-72

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON
BEACH AUTHORIZING THE EXECUTION OF AN ENERGY SERVICES
CONTRACT WITH ENERGY SYSTEMS GROUP, LLC, FOR THE
IMPLEMENTATION OF ENERGY CONSERVATION MEASURES
PURSUANT TO GOVERNMENT CODE §4217.10 ET SEQ.

WHEREAS, the City's intent to address long-standing capital improvement needs and reduce energy and operating costs in municipal operations; and

The City agreed with Energy Systems Group, LLC. (ESG) to perform an energy/operational audit and to develop a proposed project for cost-effective energy and operating savings in various City facilities; and

ESG and City staff have formulated a proposed scope of services that includes lighting upgrades, HVAC equipment replacement, controls upgrades, transformer replacements, and renewable energy systems at various City facilities; and

The cost of these energy conservation measures (ECMs) is determined to be seven million three hundred fifty-eight thousand eight hundred sixty-one dollars and zero cents (\$7,358,861) to be financed by a municipal lease; and

Staff estimates that the City will realize gross savings over the lifetime of the measures (which ranges from 10-30 years depending on the measure) estimated at over 23 million (\$23,089,221); and

California Government Code Sections 4217.10 to 4217.18 authorize the City Council of the City of Huntington Beach to enter into an Energy Services Contract for the implementation of energy conservation measures, if the Council finds that it is in the best interest of the City to do so and that the anticipated cost to the City for thermal, electrical, or other energy or conservation services provided under the contract will be less than the anticipated marginal cost to the City of such energy that would have been consumed in the absence of those measures; and

Staff has reviewed reports prepared by ESG and concluded that the total cost of the energy efficiency upgrades provided under the proposed contract will be less than the anticipated marginal cost to the City of thermal, electrical, or other energy that would have been consumed by the City in absent of the proposed project during the useful life of the improvements.

NOW, THEREFORE, the City Council of the City of Huntington Beach hereby resolves as follows:

SECTION 1. RECITALS. The recitals hereto are true and correct and by this reference incorporated herein.

SECTION 2. FINDINGS. The City Council hereby finds that:

- The proposed project is in the best interest of the City because it would significantly improve the energy and operational efficiency in the City's operations, reduce the City's greenhouse gas emissions, and result in long-term cost savings for the City.
- The anticipated cost to the City for thermal or electrical energy or conservation improvements under the contract will be less than the anticipated marginal cost to the City of thermal, electrical, or other energy that would have been consumed by the City in the absence of those purchases during the useful life of the improvements.

SECTION 3. This Council hereby declares its intention to enter into the proposed Energy Services Contract and Build Agreement, in substantially the same form as presented at this meeting, with ESG for energy conservation services for the City facilities as defined in the proposed scope of services.

SECTION 4. CEQA. The City Council finds that the proposed energy conservation measures to facilities as described in the staff report is categorically exempt under the California Environmental Quality Act Guideline Section (CEQA) § 15301 (a), Class 1 (Existing Facilities) because Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination

SECTION 5. AUTHORIZATION. The City Manager or his designee is authorized to execute the Energy Services Contract with ESG for energy conservation measures, consistent with the terms described in the staff report, in an amount not-to-exceed seven million three hundred fifty-eight thousand eight hundred sixty-one dollars and zero cents (\$7,358,861) and is authorized to execute any related and necessary implementation and lease documents.

SECTION 6. This Resolution shall take effect and be in full force immediately after its adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2025.

Mayor

REVIEWED AND APPROVED:

APPROVED AS TO FORM:

City Manager



City Attorney

INITIATED AND APPROVED:



Director of Public Works