



City Council Report

Date: August 18, 2014
To: City Council
Through: Kari Kent, Deputy City Manager
Through: Christine Zielonka, Development & Sustainability Director
From: Scott Bouchie, Deputy Director - Environmental & Sustainability
Janet Bunchman, Energy Conservation Specialist
Subject: Amended Intergovernmental Agreement with the Salt River Project (SRP) for extension of Photovoltaic (Solar) Covered Parking System at Red Mountain Library (District 5)

Strategic Initiatives



Purpose and Recommendation

In June of 2002, Salt River Project (SRP) and the City of Mesa entered an Intergovernmental Agreement (IGA) whereby SRP installed, owned, and maintained a demonstration photovoltaic project at the Red Mountain Library. Electricity generated by the Project is sent to the SRP grid. In consideration of Mesa hosting the Project, Mesa received covered parking spaces for use by its staff. The IGA had a ten year term from the completion of installation, which occurred in April, 2004. The Environmental and Sustainability Division, in cooperation with SRP, has prepared an amendment extending the IGA for an additional ten years.

Environmental and Sustainability recommends the City Council approve the amendment and the 10 year term extension for the IGA.

Background/ Discussion

Mesa and SRP entered into the IGA for the *Photovoltaic Demonstration Project at East Mesa Library Expansion* dated June 28, 2002. This amendment seeks to extend the IGA another 10 years to April 30th, 2024.

The original IGA provided for a possible transfer of ownership of the solar project to Mesa at the end of the 10 year term (April 2014). However, Mesa does not wish to

take ownership of the system. It is likely that new inverter equipment will be required to maintain solar energy generation. The expected life of an inverter is 10-15 years and the cost would range from \$12,000 to \$15,000. Since the system is still generating solar energy, SRP wishes to study energy production of the system over a longer period of time.

The amendment contains new language agreed upon by Mesa and SRP that solar production can continue and either party can terminate the agreement upon 30 days notice to the other party (i.e. in case of an equipment failure or future uses of the parking lot by Mesa).

If termination is invoked by either party, SRP will remove the Facilities within a six month time period at SRP's expense. Ownership of the Facilities not removed (i.e. covered parking structure) shall automatically transfer to Mesa. Additionally, SRP is required to leave the site in a professional manner and up to current building and electrical code.

Alternatives

A. Approval of Amendment

Council could approve the amendment which allows SRP to study solar production over a longer period of time and maintains the covered parking for staff at the library.

B. Deny Approval of the Amendment

Council could deny the proposed amendment and opt not to continue the SRP solar system for Red Mountain Library. In that case Environmental and Sustainability would work with SRP regarding either a transfer of ownership or the removal of the system.

Fiscal Impact

The amendment to the existing IGA does not have a fiscal impact on Mesa.

Coordinated With

Development of the amendment has been coordinated with the City Attorney's Office, Library Department and agreed to by SRP's Legal and Solar Project Management.