

SUBJECT

BOARD RESOLUTION NO. 21-337

Pertaining to a Put and Call Agreement with Green2 Solar Leasing, LLC governing the transfer of interests granted in the Solar Lease and Power Purchase Agreements with the same.

BACKGROUND INFORMATION

At its December 2020 meeting, the Board approved a Purchase Agreement with Ideal Energies, LLC dated December 15, 2020 for the design, purchase, and installation of a grid-tied photovoltaic solar electric system at the Board's Water Treatment Facility Campus.

At that time, staff informed the Board that in connection to that agreement, the Board will also be required to enter into the following other agreements:

1. Facility Lease Agreement
2. Power Purchase Agreement
3. Put and Call Agreement

Staff has since negotiated the required Put and Call Agreement between the Board and Green2 Solar Leasing, LLC (the "Tenant") with the following primary terms and conditions:

1. Sixteen years after the energy system is placed into operation, and for three months thereafter, the Tenant will have the option to require the Board to purchase its interests granted in the Solar Lease and Power Purchase Agreements for the price of one dollar.
2. Sixteen years and three months after the energy system is placed into operation, and for nine months thereafter, the Board will have the option to require the Tenant to sell its interests granted in the Solar Lease and Power Purchase Agreements to the Board for fair market value price as determined by the parties.
3. If neither option is exercised, the Solar Lease and Power Purchase Agreements will terminate at the completion of their twenty-year terms without compensation to the Tenant.

The required Facility Lease and Power Purchase Agreements are also before the Board for consideration at this meeting. Approval of each of these Agreements should be considered contingent on the approval of the others and denial of any should be considered the disapproval of all.

See attached Put and Call Agreement.

RECOMMENDATION

Board approval is recommended.