



## **AGENDA**

**Victor P. Lopez, Mayor**

**Diana Guerra Silva, Mayor Pro Tem**

**Gilbert Garcia, Council Member**

**Minerva Pineda, Council Member**

**Josie Cervantes, Council Member**

**WEDNESDAY, NOVEMBER 9, 2016 - 6:30 P.M.**

**Orange Cove Council Chambers**

**633 6<sup>th</sup> Street, Orange Cove, California 93646**

**A. Call to Order/Welcome**

- a. Roll Call
- b. Invocation
- c. Flag Salute

**B. Confirmation of Agenda**

**C. Presentation**

**D. Consent Calendar**

- 2. City Council Minutes of October 12, 2016
- 3. Approval for City Clerk to attend the 2016 League of California Cities City Clerks New Law Seminar Conference November 29, 2016 to December 2, 2016
- 4. Application Usage of the Community Center on November 12, 2016 for a Family Group Gathering requested by Stella Cisneros waiving facility fees
- 5. Approve the California Dept. of Education Early Education and Support Division for Fiscal Year 2017-2018 Continue Funding Application
- 6. Approve the Christmas Tree Harvest 2016 and approve a contribution for a charitable donation of \$270 to the Reedley College Forestry Club for the Christmas Tree

**E. Administration**

**Chief of Police:**

7. **SUBJECT:** Monthly Activity Report.

**Recommendation:** Informational Item Only.

**City Manager:**

8. **SUBJECT:** Consideration and Discussion regarding business at the Three Muskateers proposing in having live entertainment Monday – Friday from 10am-2am Presented by Mr. Richard Hickingbottom

**Recommendation:** Council to consider Mr. Richard Hickingbottom request having live entertainment Monday – Friday from 10am-2am at the Three Muskateers

9. **SUBJECT: Public Hearing** – Consideration and Discussion regarding the Award of an Energy Conservation Contract Pursuant to California Government Code Section 4217.

**Recommendation:** Council to consider approving the Resolution No. 2016-59 authorizing the City Manager to execute all necessary documents to engage PG&E to perform an Investment Grade Energy Assessment (IGA) for amount not to exceed \$245,000; and Authorizing the submission of an Application to the California Energy Commission (CEC) for low interest loan to implement energy efficiency measures.

10. **SUBJECT:** Consideration and Discussion regarding the Recycling Business Zoning Amendment

**Recommendation:** Staff recommends amending the current zoning

11. **SUBJECT:** Consideration and Discussion regarding water irrigation

**Recommendation:** Council to consider approving the Resolution for a one (1) day irrigation per week or no outside irrigation due to the shut down of the Friant Kern Canal.

12. **SUBJECT:** Planning Meeting of November 1, 2016 **PUBLIC HEARING** regarding the request filed by Capital Rivers commercial for a Conditional Use Permit for an Auto Accessory Parts store and a Site Plan Review for a neighborhood shopping center at the Northwest corner of Park Blvd. and Anchor Avenue (APN 375-404-21)

**Recommendation:** Informational Item Only.

13. **SUBJECT:** Consideration and Discussion regarding the naming of the New Shopping Mall located at the corner of Park Blvd and Anchor Avenue

**Recommendation:** Council to review and approve the naming of the New Shopping Mall located at the corner of Park Blvd. and Anchor Avenue.

14. **SUBJECT:** Update report on the CDBG Code Enforcement

Recommendation: Informational Item Only

15. **SUBJECT:** Consideration and Discussion regarding November 23, 2016 City Council Meeting

**Recommendation:** Council to consider canceling the November 23, 2016 City Council Meeting due to the Thanksgiving Holiday.

**F. Public Forum**

Members of the public wishing to address the City Council on an item that is not on the agenda may do so now. No action will be taken by the City Council this evening. But items presented may be referred to the City Manager for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Council, you are requested to come forward to the speakers microphone, state your name and address, and then proceed with your comments.

**G. City Manager's Report**

**H. City Attorney's Report**

16. **SUBJECT:** Consideration and Discussion regarding Invocation Policy

**Recommendation:** Council to consider approving the Resolution No. 2016-60 Establishing a Policy regarding Invocations at Meetings of the City Council of the City of Orange Cove

**I. City Council Communications**

**J. Adjournment**

**ADA Notice:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (559) 626-4488 ext. 214. Notification 48 hours prior to the meeting will enable the City to make arrangements to ensure accessibility to this meeting.

**Documents:** 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 at front counter at City Hall and at the Orange Cove Library located at 815 Park Blvd., Orange Cove, CA during normal business hours. In addition, most documents are posted on City's website at [cityoforange Cove.com](http://cityoforange Cove.com).

## **STATEMENT ON RULES OF DECORUM AND ENFORCEMENT**

The Brown Act provides that members of the public have a right to attend public meetings, to provide public comment on action items and under the public forum section of the agenda, and to criticize the policies, procedures, or services of the city or of the acts or omissions of the city council. The Brown Act also provides that the City Council has the right to exclude all persons who willfully cause a disruption of a meeting so that it cannot be conducted in an orderly fashion.

During a meeting of the Orange Cove City Council, there is a need for civility and expedition in the carrying out of public business in order to ensure that the public has a full opportunity to be heard and that the Council has an opportunity to conduct business in an orderly manner. The following is provided to place everyone on notice of the rules of decorum and enforcement.

## **GENERAL RULES OF DECORUM**

While any meeting of the City Council is in session, the following rules of decorum shall be observed:

1. All remarks shall be addressed to the City Council as a whole and not to any single member, unless in response to a question from a member of the City Council.
2. A person who addresses the City Council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct (i) which is likely to provoke others to violent or riotous behavior, (ii) which disturbs the peace of the meeting by loud and unreasonable noise, (iii) which is irrelevant or repetitive, or (iv) which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.
3. A person, other than members of the Council and the person, who has the floor, shall not be permitted to enter into the discussion unless requested by the Mayor to speak.
4. Members of the City Council may not interrupt a person who has the floor and is making public comments. Members of the City Council shall wait until a

person completes his or her public comments before asking questions or commenting. The Mayor shall then ask Councilmembers if they have comments or questions.

5. No person in the audience at a Council meeting shall engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, stamping of feet or other acts which disturb, disrupt or otherwise impede the orderly conduct of any Council meeting.

**ENFORCEMENT OF DECORUM RULES**  
(Resolution No. 2012-16)

While the City Council is in session, all persons must preserve order and decorum. A person who addresses the City council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct which is likely to provoke others to violent or riotous behavior, which disturbs the peace of the meeting by loud and unreasonable noise, which is irrelevant or repetitive, or which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.

The Mayor or other presiding officer shall request that a person who is breaching the rules of decorum cease such conduct. If after receiving such a warning, the person persists in breaching the rules of decorum, the Mayor or other presiding officer may order the person to leave the City Council meeting. If such person does not leave, the Mayor or presiding officer may request any law enforcement officer who is on duty at the meeting as sergeant-at-arms to remove the person from the Council Chambers. In the event there is no one from law enforcement present, the Mayor or presiding officer may direct the City Manager to contact law enforcement.

In accordance with the Point of Order Rule 4.6, the majority of the Council may overrule the Mayor if the majority of the Council believes the Mayor or other presiding officer is not applying the rules of decorum appropriately.



## **MINUTES**

### **Joint Meeting of City Council and Successor Agency to the Redevelopment Agency of the City of Orange Cove**

**Victor P. Lopez, Mayor**

**Diana Guerra Silva, Mayor Pro Tem  
Minerva Pineda, Council Member**

**Gilbert Garcia, Council Member  
Josie Cervantes, Council Member**

**WEDNESDAY, OCTOBER 12, 2016 - 6:30 P.M.  
Orange Cove Council Chambers  
633 6<sup>th</sup> Street, Orange Cove, California 93646**

#### **A. Call to Order/Welcome**

**COUNCIL PRESENT:** Mayor Victor P. Lopez  
Mayor Pro Tem Diana Guerra Silva(absent)  
Councilmember Gilbert Garcia(absent)  
Councilmember Minerva Pineda  
Councilmember Josie Cervantes

**STAFF PRESENT:** City Manager Samuel A. Escobar  
City Attorney, Dan McCloskey  
Police Chief, Marty Rivera  
City Clerk June V. Bracamontes

**INVOCATION:** Manuel Ferreira

**FLAG SALUTE:** Mayor Victor P. Lopez

#### **B. Confirmation of Agenda**

City Manager requested to move item #9 to item #1 under Administration

#### **C. Consent Calendar**

1. City Council Minutes of September 14, 2016

2. Approve the revised School Resources Officer Agreement between the City of Orange Cove and Kings Canyon Unified School District
3. Approve the City's 2014 HOME Grant Homebuyer Assistance and Housing Rehab Program Guidelines

**Upon the motion by Councilwoman Pineda and seconded by Councilwoman Cervantes, Council approved the Consent Calendar as presented. (Yes Vote: Lopez, Pineda and Cervantes)**

#### **D. Administration**

##### **City Engineer:**

4. **SUBJECT:** Consideration and Discussion regarding the Master Agreements for Federal Funds and Supplemental Agreement for Adams Avenue Reconstruction Project, Friant-Kern Canal to Hills Valley Road

**Recommendation:** Council to consider approving the Master Agreements for Federal Funds and Supplemental Agreement for Adams Avenue Reconstruction Project, Friant-Kern Canal to Hills Valley Road and Resolution authorizing the City Manager to sign the agreements on behalf of the City.

**Upon the motion by Councilwoman Cervantes and seconded by Councilwoman Pineda, Council approved the Master Agreements for Federal Funds and Supplemental Agreement for Adams Avenue Reconstruction Project, Friant-Kern Canal to Hills Valley Road and Resolution 2016-55 authorizing the City Manager to sign the agreements on behalf of the City. (Yes Vote: Lopez, Pineda and Cervantes)**

5. **SUBJECT:** Consideration and Discussion regarding the Engineering Agreements for Water Treatment Plant Expansion and Retention Basin Lining Planning Study with Yamabe & Horn Engineering, Inc. and AM Consulting Engineers

**Recommendation:** Council to consider approving Resolution regarding the Engineering Agreements for Water Treatment Plant Expansion and Retention Basin Lining Planning Study with Yamabe & Horn Engineering, Inc. and AM Consulting Engineers

**Upon the motion Councilwoman Cervantes and seconded by Councilwoman Pineda, Council approved the Resolution regarding the Engineering Agreements for Water Treatment Plant Expansion and Retention Basin Lining Planning Study with Yamabe & Horn**

**Engineering, Inc. and AM Consulting Engineers (Yes Vote: Lopez, Pineda and Cervantes)**

6. **SUBJECT:** Consideration and Discussion designation of Voting Member Kings River East Groundwater Sustainability Agency

**Recommendation:** Council to consider nominating a Councilmember and an Alternate for the Board of the Kings River East Groundwater Sustainability Agency (GSA)

**Upon the motion by Councilwoman Cervantes and seconded by Councilwoman Pineda, Council approved to nominate Mayor Lopez as a Voting Member and Councilwoman Minerva Pineda as the Alternate Voting Member for the Board of the Kings River East Groundwater Sustainability Agency (GSA). (Yes Vote: Lopez, Pineda and Cervantes)**

7. **SUBJECT:** Consideration and Discussion regarding the Marijuana Ordinance

**Recommendation:** Council to give Staff direction to amend the Marijuana Ordinance

Mayor and Council discussed the current City's Marijuana Ordinance and proposing a stricter ordinance for the City of Orange Cove. Concerns are the illegal marijuana groves in the City of Orange Cove. Council would like City Manager, City Attorney along the Police Chief to work on the Marijuana ordinance pertaining to this issue.

By Consensus Council approved staff to prepare a Marijuana Ordinance.

**City Manager:**

8. **SUBJECT:** Consideration and Discussion regarding the Facility Use Application by La Unika Mexicana for the usage of the Gene Welch Park

**Recommendation:** Council to consider the Facility Use Application by La Unika Mexicana for the usage of the Gene Welch Park Waving all fees.

**Upon the motion by Councilwoman Cervantes and seconded by Councilwoman Pineda, Council approve the Facility Use Application by La Unika Mexicana for the usage of the Gene Welch Park Waving all fees. (Yes Vote: Lopez, Pineda and Cervantes)**

9. **SUBJECT:** Consideration and Discussion regarding the Purchase Sale Agreement and Development Agreement between Capitol Rivers, Inc., a California corporation (“Buyer”) and The City of Orange Cove, a municipal corporation (“Seller”).

**Recommendation:** Council to consider approving the Purchase Sale Agreement and Development Agreement between Capitol Rivers, Inc., a California corporation (“Buyer”) and The City of Orange Cove, a municipal corporation (“Seller”).

**Upon the motion Councilwoman Cervantes and seconded by Councilwoman Pineda, Council approved the Purchase Sale Agreement and Development Agreement between Capitol Rivers, Inc., a California corporation (“Buyer”) and The City of Orange Cove, a municipal corporation (“Seller”) and approve Resolution No. 2016-57. (Yes Vote: Lopez, Pineda and Cervantes)**

**E. City Council and Successor Agency:**

10. **SUBJECT:** Consideration and Discussion regarding the Orchard Village permanent loan closing

**Recommendation:** Council and the Successor Agency to consider approving the Orchard Village of the Subordination Agreement for the permanent lender

**Upon the motion by Councilwoman Cervantes and seconded by Councilwoman Pineda, Council and the Successor Agency approved the Orchard Village of the Subordination Agreement for the permanent lender(Yes Vote: Lopez, Pineda and Cervantes)**

**F. Public Forum**

Members of the public wishing to address the City Council on an item that is not on the agenda may do so now. No action will be taken by the City Council this evening. But items presented may be referred to the City Manager for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Council, you are requested to come forward to the speakers microphone, state your name and address, and then proceed with your comments.

Ralph Pardo Member of the Chamber of Commerce presented to Council the last farmers market was Thursday had a food contest and thanked the city’s contribution. 200-300 people were present. Great promotion by radio station 100.3 F.M. and included a live band. Every effort to continue in May 2017

**G. City Manager's Report**

Report that industrial developer put in a bid for the old Harding & Leggett. Close escrow in December.

Development with Capital has sparked every developer interest. In the few years will see development

Attended the conference in Long Beach. General Session Economist from UCLA regarding the real estate that will crash in 2018. Pointing out the wrong things. Housing market is still affordable. Good conference with other City Managers.

**H. City Attorney's Report**

Nothing to report.

**I. City Council Communications**

**Councilwoman Josie Cervantes:**

League of California Cities Conference was very good.

**Councilwoman Minerva Pineda:**

League of California Cities was a good conference new knowledge and great networking.

**Mayor Victor P. Lopez:**

Attended the League of California Cities and the Marijuana conference. Learning experience met with new council people. Shared ideas all the Mayors vote collectively.

Having a dinner on October 17<sup>th</sup> Latino Water Coalition is hosting it. Paul Rodriguez will be there want to meet with all Mayor in the County issue on the new dam.

Good news Senator Vidak called and approve the funding Cal Home Grant missed the deadline due to the transfer of Finance Director. Vidak went directly to the HCD \$400,000. Prepare letter to Senator Vidak. Excellent representation.

**J. Adjournment**

Mayor Lopez adjourned the City Council Meeting at 7:25 p.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
June V. Bracamontes, City Clerk

PRESENTED TO COUNCIL: DATE \_\_\_\_\_ ACTION \_\_\_\_\_



## Fiscal Year 2017-2018 Continued Funding Application

Contractors must read the accompanying instructions when completing the Continued Funding Application (CFA). Failure to accurately complete the CFA may result in a delay in the issuance of your fiscal year 2017-18 contract(s). CFA Instructions may be accessed on the CFA Web page at: <http://www.cde.ca.gov/sp/cd/ci/cfaforms.asp>

<b>Section I – Contractor Information</b>	
<b>Legal Name of Contractor:</b>	City of Orange Cove
<b>Contractor “Doing Business As” (DBA):</b>	Julia A Lopez Child Development Center
<b>Headquartered County:</b>	10 Fresno
<b>Vendor Number:</b>	2188
<b>Executive Director Name:</b>	Victor P. Lopez
<b>Executive Director Telephone Number:</b>	(559) 626-4275
<b>Executive Director Fax Number:</b>	(559) 626-4717
<b>Executive Director E-mail Address:</b>	marthaocdc@att.net
<b>Legal Business Address:</b>	633 Sixth St
<b>City:</b>	Orange Cove
<b>Zip Code:</b>	93646
<b>Mailing Address (if different from above):</b>	1300 South Ave
<b>City:</b>	Orange Cove
<b>Zip Code:</b>	93646
<b>Name of Contact Person Completing Application:</b>	Joy Anda
<b>Title of Contact Person Completing Application:</b>	Director
<b>Contact Person Phone Number:</b>	(559) 626-6466
<b>Contact Person E-mail Address:</b>	jlcdcjoy@gmail.com

**Contractor Name**  
City of Orange Cove

**Vendor # County**  
2188 10 Fresno

**Section II – Contract Types**

Check all applicable boxes indicating the programs the contractor intends to continue to administer for the Fiscal Year 2017-18. The contractor agrees to continue implementation of these programs with funds provided by the CDE.

**Center-Based Programs**

- California State Preschool Program (CSPP)
  - Full-Year  Part-Year
- California Center-Based (CCTR)
  - Infant/Toddler
  - School-age
- Program for Special Needs Children (Handicapped) (CHAN)
- Migrant Center-Based (CMIG) and Migrant Special services (CMSS)

**Alternative Payment Programs**

- Alternative Payment Program (CAPP)
- CalWORKs Stage 2 (C2AP)
- CalWORKs Stage 3 (C3AP)
- Migrant Alternative Payment (CMAP)

**Resource and Referral Programs**

- Resource and Referral (CRRP)

**Family Child Care Home Programs**

- Family Child Care Home Education Network (CFCC)

**Contractor Name**

**Vendor # County**

City of Orange Cove

2188 10 Fresno

**Section III – Contractor’s Officers and Board of Directors Information**

Does the contractor have a board of directors?

Yes



No



If no, please explain:

The City of Orange Cove doesn't have a Board of Directors they have City Council Members. Sub-contractor has a Board.

If yes, list all officers and board members. Attach additional sheets as necessary.

Officer or Board Member Name and Title:

Telephone Number:

Mailing Address:

E-mail Address:

Officer or Board Member Name and Title:	Telephone Number:	Mailing Address:	E-mail Address:

**Contractor Name**

**Vendor # County**

City of Orange Cove

2188

10 Fresno

<b>Section IV: Allocation of Funds</b>	
Contractor Fiscal Contact Name:	Samuel Escobar
Contractor Fiscal Contact E-mail Address:	samescobar@cityoforangecove.com
Date:	11/03/2016
If you have any questions regarding this form, please contact Robert Hom, Child Development and Nutrition Fiscal Services Unit by phone at 916-322-5090 or by e-mail at RHom@cde.ca.gov.	

Contract Type:	Contract Number:
CSPP	CSPP-6059
County Name:	% of Total
10 Fresno	100 %
00 Select One	%
00 Select One	%
00 Select One	%
Total	100 %

Contract Type:	Contract Number:
Select One	
County Name:	% of Total
00 Select One	%
Total	0 %

Contract Type:	Contract Number:
Select One	
County Name:	% of Total
04 Butte	%
15 Kern	%
00 Select One	%
00 Select One	%
Total	0 %

Contract Type:	Contract Number:
Select One	
County Name:	% of Total
00 Select One	%
Total	0 %

Contract Type:	Contract Number:
Select One	
County Name:	% of Total
00 Select One	%
Total	0 %

Contract Type:	Contract Number:
Select One	
County Name:	% of Total
00 Select One	%
Total	0 %

**Contractor Name**

**Vendor # County**

City of Orange Cove

2188

10 Fresno

**Section V – Program Narrative**

A. The following contract types do not have programmatic or calendar changes (select all that apply). **NOTE:** Program calendars must be submitted for all contract types.

- California State Preschool Program (CSPP)
- California Center-Based (CCTR)
- Program for Special Needs (Handicapped) Children (CHAN)
- Migrant, Center-Based (CMIG) and Migrant Specialized Services (CMSS)
- Alternative Payment Program (CAPP)
- CalWORKs Stage 2 (C2AP)
- CalWORKs Stage 3 (C3AP)
- Migrant Alternative Payment (CMAP)
- Resource and Referral (CRRP)
- Family Child Care Home Education Network (CFCC)

B. The following contract types do have programmatic and/or calendar changes (select all that apply). For each contract type selected in this section, complete a separate form EESD3704A. This form is available on the CFA Web page at <http://www.cde.ca.gov/sp/cd/ci/cfaforms.asp>. **NOTE:** Program Calendars must be submitted for all contract types.

- California State Preschool Program (CSPP)
- California Center-Based (CCTR)
- Program for Special Needs (Handicapped) Children (CHAN)
- Migrant, Center-Based (CMIG) and Migrant Specialized Services (CMSS)
- Alternative Payment Program (CAPP)
- CalWORKs Stage 2 (C2AP)
- CalWORKs Stage 3 (C3AP)
- Migrant Alternative Payment (CMAP)
- Resource and Referral (CRRP)
- Family Child Care Home Education Network (CFCC)

**Contractor Name**

**Vendor # County**

City of Orange Cove

2188

10 Fresno

**Section VI – Personnel Certification for Center-Based Programs and Family Child Care Home Education Networks**

The State of California requires any contractor receiving child care and development funds, disbursed by the California Department of Education (CDE) to employ fully qualified personnel as contained in California *Education Code*; *California Code of Regulations*, Title 5; and Funding Terms and Conditions.

**I certify, as the authorized agent representing this contractor, I have read and understand the staffing requirements for Program Director, Site Supervisor, and Teacher. All child care staff employed in CDE funded program(s) are fully qualified for their respective positions. Exceptions to this certification are persons employed as "Program Director" or "Site Supervisor" who possesses a current Early Education and Support Division (EESD) approved Staffing Qualifications Waiver.**

<b>Signature of Authorized Representative:</b>	
<b>Printed Name and Title of Authorized Representative:</b>	Samuel Escobar City Manager
<b>Date of Signature:</b>	11/03/2016
<b>Authorized Representative Phone Number:</b>	(559) 626-4488
<b>Authorized Representative E-mail Address:</b>	samescobar@cityoforange Cove.com

**Contractor Name**

**Vendor # County**

City of Orange Cove

2188

10 Fresno

**Section VII – Subcontract Certification**

A. The following contract types do not have subcontractors (check all that apply):

- California State Preschool Program (CSPP)
- California Center-Based (CCTR)
- Program for Special Needs (Handicapped) Children (CHAN)
- Migrant Center-Based (CMIG)

B. The following contract types do have subcontractors (check all that apply). For each contract type selected, submit a separate form EESD 3704B. This form is available on the CFA Web page at <http://www.cde.ca.gov/sp/cd/ci/cfaforms.asp>.

- California State Preschool Program (CSPP)
- California Center-Based (CCTR)
- Program for Special Needs (Handicapped) Children (CHAN)
- Migrant Center-Based (CMIG)

I certify that the contractual arrangement(s) listed above are in adherence with the required subcontract provisions contained in the *California Code Regulations*, Title 5, and the Funding Terms and Conditions.

I understand that signing this certificate does not lessen the legal responsibility for the child care and development service contract requirements. As the contractor, it is my responsibility to monitor the performance of the subcontractor to ensure services are provided appropriately through the entire contract term.

**Signature of Contractor's Authorized Representative:**

**Printed Name and Title of Contractor's Authorized Representative:**

Samuel Escobar City Manager

**Date of Signature:**

11/03/2016

**Authorized Representative Phone Number:**

(559) 626-4488

**Authorized Representative E-mail Address:**

samescobar@cityoforange Cove.com

<b>Contractor Name</b>	<b>Vendor #</b>	<b>County</b>
City of Orange Cove	2188	10 Fresno

**Section VIII – Contractor Certification**

Under penalty of perjury, I certify the following:

- I am authorized by the Contractor’s Board of Directors or other governing authority to execute this Continued Funding Application.
- On behalf of Contractor and its governing authority, we understand some information requested in this application is intended for use by CDE auditors in connection with future audit work and performance reviews and may not be used or even reviewed or considered by CDE until well after the contract has expired, if ever. Therefore, we further understand that the information (and any underlying transactions) disclosed by this Application shall not be considered properly noticed to CDE nor approved, accepted or authorized by the CDE, even if our request for continued funding by the CDE is subsequently approved.
- I have supervisory authority over the child development program, have actual, personal knowledge of the information provided in this Application and certify that it is true and correct in all material respects.
- I am familiar with and will ensure that Contractor complies with all applicable program statues and regulations, including:
  - -- Subcontracting requirements, including competitive bidding, CDE approval, and audit requirements in Title 5, §18026 et. seq.
  - -- Prohibitions on conflicts of interests, including i) the assurances required to establish that transactions with officers, directors and other related party transactions are conducted at arms-length, and ii) employment limitations in Ed. Code §8406.9.
  - -- Cost reimbursement requirements, including reimbursable and non-reimbursable costs, documentation requirements, the provisions for determining the reimbursable amount and other provisions in Title 5, §18033 et. seq.
  - -- Accounting and reporting requirements in Title 5 §18063 et. seq.
  - -- Operational and programmatic requirements.

<b>Signature of Contractor’s Authorized Representative:</b>	
<b>Printed Name and Title of Contractor’s Authorized Representative:</b>	Samuel Escobar City Manager
<b>Date of Signature:</b>	11/03/2016
<b>Authorized Representative Phone Number:</b>	(559) 626-4488
<b>Authorized Representative E-mail Address:</b>	samescobar@cityoforangecove.com

**Contractor Name**

**Vendor # County**

City of Orange Cove

2188

10 Fresno

<b>Section IX – Required Attachments</b>
All attachments must be completed and attached to the application. These attachments are located on the Continued Funding Application Web page at: <a href="http://www.cde.ca.gov/sp/cd/cl/cfaforms.asp">http://www.cde.ca.gov/sp/cd/cl/cfaforms.asp</a>
<b>A. Fiscal Year 2017-18 Program Calendar (EESD-9730)</b>
<b>B. Update and Certification of Contractor Information in the Child Development Management Information System (CDMIS) Database</b>
<b>C. Payee Data Record (STD 204) (Non-public agencies only)</b>
<b>D. Secretary of State (Non-public agencies only)</b>
<b>E. Verification of School District Name and Address</b>
<b>F. Program Narrative Change (EESD 3704A)</b>
<b>G. Subcontractor Certification (EESD 3704B)</b>

**Contractor Name**

**Vendor # County**

City of Orange Cove

2188

10 Fresno

Section Number*	Section Description	Page Number	Box
Section I	Contractor Information	1	<input checked="" type="checkbox"/>
Section II	Contract Types	2	<input checked="" type="checkbox"/>
Section III	Contractor's Officers and Board of Directors Information	3	<input checked="" type="checkbox"/>
Section IV	Allocation of Funds	4	<input checked="" type="checkbox"/>
Section V	Program Narrative Change	5	<input type="checkbox"/>
<b>Section VI*</b>	Personnel Certification for Center-Based Programs and Family Child Care Home Education Networks	6	<input checked="" type="checkbox"/>
<b>Section VII*</b>	Subcontractor Certification	7	<input checked="" type="checkbox"/>
<b>Section VIII*</b>	Contractor Certification	8	<input checked="" type="checkbox"/>
<b>Section IX: Required Attachments</b>			
Section IX A.	Program Calendar (EESD-9730) (one for each contract type)	9	<input checked="" type="checkbox"/>
<b>Section IX B.*</b>	Certification of Contractor Information in the Child Development Management Information System (CDMIS) Data Base	9	<input checked="" type="checkbox"/>
<b>Section IX C.*</b>	State of California, Payee Data Record (STD.204) (non-public agencies only)	9	<input type="checkbox"/>
Section IX D.	Secretary of State search results (non-public agencies only)	9	<input type="checkbox"/>
Section IX E.	Verification of School District Name and Address search	9	<input type="checkbox"/>
Section IX F.	Program Narrative Change EESD 3704A	Insert after Page 5	<input type="checkbox"/>
Section IX G.	Subcontract Certification EESD 3704B	Insert after Page 7	<input checked="" type="checkbox"/>
<b>*Bolded sections require a signature.</b>			

**Contractor Name**  
City of Orange Cove

**Vendor # County**  
2188 10 Fresno

Form EESD 3704B: Subcontract Certification				
Contract Type: California State Preschool Program (CSPP)				
Contract MRA: \$ 1,182,971				
Total Percentage of MRA Subcontracted: 100%				
Subcontractor #1				
Subcontractor Legal Name:		Target Eight Advisory Council		
Does this subcontractor also contract with EESD?			Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Site No.	Site Name	Site Address	Service County	Percentage of MRA Subcontracted
1.	Julia A Lopez Child Development Center	1300 South Ave Orange Cove, CA 93646	10 Fresno	100%
2.			00 Select One	
3.			00 Select One	
4.			00 Select One	
Subcontractor #2:				
Subcontractor Legal Name:				
Does this subcontractor also contract with EESD?			Yes <input type="checkbox"/>	No <input type="checkbox"/>
Site No.	Site Name	Site Address	Service County	Percentage of MRA Subcontracted
1.			00 Select One	
2.			00 Select One	
3.			00 Select One	
4.			00 Select One	

**Fiscal Year 2017-18 Program Calendar**

Name of Contractor	Vendor Number	County	Contract Type
City of Orange Cove	2188	10 Fresno	CSPP Full Year

Enter an "X" for Days of Operation.

July 2017						
S	M	T	W	T	F	S
						1
2	x	4	x	x	x	8
9	x	x	x	x	x	15
16	x	x	x	x	x	22
23	x	x	x	x	x	29
30	x					

Days of Operation **20**

August 2017						
S	M	T	W	T	F	S
			x	x	x	5
6	x	x	x	x	x	12
13	14	x	x	x	x	19
20	x	x	x	x	x	26
27	x	x	x	x		

Days of Operation **22**

September 2017						
S	M	T	W	T	F	S
					x	2
3	4	x	x	x	x	9
10	x	x	x	x	x	16
17	x	x	x	x	x	23
24	x	x	x	x	x	30

Days of Operation **20**

Quarterly Subtotal **62**

October 2017						
S	M	T	W	T	F	S
1	x	x	x	x	x	7
8	9	x	x	x	x	14
15	x	x	x	x	x	21
22	x	x	x	x	x	28
29	x	x				

Days of Operation **21**

November 2017						
S	M	T	W	T	F	S
			x	x	x	4
5	x	x	x	x	10	11
12	x	x	x	x	x	18
19	x	x	x	23	24	25
26	x	x	x	x		

Days of Operation **19**

December 2017						
S	M	T	W	T	F	S
					x	2
3	x	x	x	x	x	9
10	x	x	x	x	x	16
17	x	x	x	x	x	23
24	25	26	x	x	x	30
31						

Days of Operation **19**

Quarterly Subtotal **59**

January 2018						
S	M	T	W	T	F	S
	1	x	x	x	x	6
7	x	x	x	x	x	13
14	15	x	x	x	x	20
21	x	x	x	x	x	27
28	x	x	x			

Days of Operation **21**

February 2018						
S	M	T	W	T	F	S
				x	x	3
4	x	x	x	x	x	10
11	x	x	x	x	x	17
18	19	x	x	x	x	24
25	x	x	x			

Days of Operation **19**

March 2018						
S	M	T	W	T	F	S
				x	x	3
4	x	x	x	x	x	10
11	x	x	x	x	x	17
18	x	x	x	x	x	24
25	x	x	x	x	30	31

Days of Operation **21**

Quarterly Subtotal **61**

April 2018						
S	M	T	W	T	F	S
1	x	x	x	x	x	7
8	x	x	x	x	x	14
15	x	x	x	x	x	21
22	x	x	x	x	x	28
29	x					

Days of Operation **21**

May 2018						
S	M	T	W	T	F	S
		x	x	x	x	5
6	x	x	x	x	x	12
13	x	x	x	x	x	19
20	x	x	x	x	x	26
27	28	x	x	x		

Days of Operation **22**

June 2018						
S	M	T	W	T	F	S
					x	2
3	x	x	x	x	x	9
10	x	x	x	x	x	16
17	x	x	x	x	x	23
24	x	x	x	x	x	30

Days of Operation **21**

Quarterly Subtotal **64**

**Total Days of Operation **246****

EESD Consultant Initials \_\_\_\_\_

Date approved by EESD Consultant \_\_\_\_\_

## Child Development Division Agency Information Certification

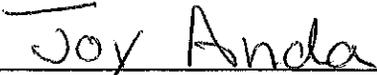
I certify, as the authorized representative of the agency listed below, I have reviewed all the information for **City of Orange Cove (2188)** and updates, additions, or deletions have been submitted as needed for information in all of the areas below:

Executive Director/Superintendent information  
Program Director information  
Sites and Licenses and/or Office information  
Family Child Care Home summary information

To the best of my knowledge, the information on the CDMIS Web site reflects accurate information for **City of Orange Cove (2188)** as of the date this certification was signed.

  
\_\_\_\_\_  
Program Director/Authorized Representative Signature

11/03/16  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Printed Name of Program Director/Authorized Representative

**Name of Agency User Generating Certification:** Joy Anda

**Date Generated:** 11/2/2016

**Assigned CDD Consultant:** Joe Martinez

## Policy

The CDE does not require formal board approval of the application package. In most cases, board action is only required to sign the formal contract. If the contractor's governing board requires approval prior to application submittal, please ensure the board action is completed in time to meet the due date.

The complete Continued Funding Application packet is available on the CFA Web Page at <http://www.cde.ca.gov/sp/cd/ci/cfaforms.asp>.

## Application Submission Requirements

Electronic submission of the application is not acceptable. The application must be printed one-sided. Contractors must mail or deliver one (1) application packet with original signature and two (2) copies to the EESD by Thursday, December 1, 2016, to the following address:

**FY 2017–18 Application for Continued Funding**  
Early Education and Support Division  
California Department of Education  
1430 N Street, Suite 3410  
Sacramento, CA 95814-5901

If you have any questions regarding the information in this MB, please contact your assigned Early Education and Support Field Services Consultant at <http://www.cde.ca.gov/sp/cd/ci/assignments.asp> or contact the Early Education and Support Division by e-mail at [CFA@cde.ca.gov](mailto:CFA@cde.ca.gov).

**Return to Top**

***This Management Bulletin is mandatory only to the extent that it cites a specific statutory and/or regulatory requirement. Any portion of this Management Bulletin that is not supported by a specific statutory and/or regulatory requirement is not prescriptive pursuant to California Education Code Section 33308.5.***

**Questions: Early Education and Support Division | [CFA@cde.ca.gov](mailto:CFA@cde.ca.gov)**

Last Reviewed: Wednesday, October 5, 2016

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## June Bracamontes

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**From:** Kent Kinney <kent.kinney@reedleycollege.edu>  
**Sent:** Thursday, November 03, 2016 9:33 AM  
**To:** jmulligan@ci.sanger.ca.us; info@reedleydowntown.com; jb@cityoforangecove.com; Daniel A. Galvez  
**Cc:** Louie Long; Joshua Soderlund; Thomas Hooten; Ashley Testa-Burk  
**Subject:** City Tree Harvest 2016 -Reedley College

Cities of Reedley, Orange Cove and Sanger,

It is time to schedule the 2016 Christmas Tree Harvest for Sanger, Reedley and Orange Cove. Please confirm that you have received this information, and that your town wishes to participate this year. With your approval I am planning the following:

The day of tree harvest will be Tuesday, November 22.

Cities should have a representative select the tree on Friday, November 18 . Meet at Shaver Lake, Camp Edison Entrance (unless given further instructions) at 9:00AM.

On November 22, each city will provide a truck with two riser stands to support the tree above the truck bed. The meeting time will be 9:00AM. The location for trucks to meet at will be announced at the November 18, tree selection activity.

Reedley College Forestry Students will assist in cutting and loading each city's tree. Reedley College will arrange for Huntington Construction to provide a crane truck. The cost of crane service will be paid by each city through direct payment from each city to Huntington Construction. The cities will contact the crane company to arrange payment for the service to lift the tree onto your truck. The provider will be Doug Koerper Construction, (559)281-6076, dougkoerper@yahoo.com. P. O. Box 484 Shaver Lake 93664. I will contact Doug Koerper and reserve his service for the day of the harvest.

Southern California Edison Company (SCE) has graciously donated city Christmas trees for many years. The SCE will allow Reedley College Forestry students to assist in the harvest. As a charitable donation a contribution in the amount of \$270 from each of the cities to the Reedley College Forestry Club would be appreciated. The Reedley College Forestry Club will use this contribution to perform community service and for payment of a \$200 encroachment fee that is being paid by Reedley College.

Checks in the amount of \$270 should be made payable to: Reedley College Forestry Club and sent to 995 N. Reed Avenue, Reedley, CA 93654, c/o Kent Kinney prior to the tree harvest.

Note that snow may not allow for the harvest. In that case a refund to the cities will be made.

Thank you. I look forward to your confirmation.

*Kent Kinney*

Reedley College Forestry Program  
(559)638-3641 ext. 3275  
995 N. Reed Ave, Reedley CA 93654



# City of Orange Cove

Incorporated January 20, 1948  
633 Sixth Street  
Orange Cove, California 93646  
559-626-4488

## APPLICATION FOR BUSINESS LICENSE

Business Name: Three Musketeers

Business Address: 640 Park Blvd City, State, Zip: Orange Cove

Mailing Address: Same City, State, Zip: 93646  
(cannot be a resident address w/o a Home Occupational Permit)

Contact Person: Richard Edwin Hickingbottom

Business Phone: (559) 458-8813 Other Phone: \_\_\_\_\_

Business Type & Description: Bar

Owner's Name: Richard E. Hickingbottom Owners Address: 381 W. Carob #1 Reedley Ca 93654

Owner's Social Security Number of Federal ID number (FEIN): 563-57-1919 (Provide Copy)

Resale Permit #: \_\_\_\_\_ Verified  (Provide Copy)

Ownership Type: (Check one)  Sole Ownership  Partnership  Corporation

Please check-off the correct answer to the following questions for businesses located **within** City Limits:

1. Has work on the building been started or completed for the business? YES  No
2. Will changes be made to the building such as the moving of walls or the construction of new walls? Yes  No
3. Will the building be remodeled with new lighting, electric outlets or plumbing? YES  NO
4. Will a new sign be installed? YES  NO
5. What kind of business occupied this location before?: Bar Since 1946

I certify the above information to be true and correct to the best of my knowledge. I understand that it is my responsibility to be in compliance with the requirements of governmental agencies affecting operation of this business. I understand that the Building Department must be contacted prior to beginning of any work. I understand that the intentional misstatement of the facts on this application, for the purpose of affection the issuance of the permit, may result in the revocation of this license. I further understand that the information given on this application will be confidential for the exclusive use of the City of Orange Cove and the California State Board of Equalization.

Signature: Richard E. Hickingbottom Date: 10-19-2016  
(legal signature by business owner)

### **CITY USE ONLY:**

Business License #: \_\_\_\_\_ Category: \_\_\_\_\_ Application Fee Paid: \_\_\_\_\_  
Receipt#: \_\_\_\_\_ (attach copy of) Will need to bill: YES OR NO Date License Mailed: \_\_\_\_\_  
Application taken by: \_\_\_\_\_ Date: \_\_\_\_\_  
Approved by: \_\_\_\_\_ Date: \_\_\_\_\_



## BUSINESS LICENSE DOCUMENTATION CHECKLIST

PLEASE ATTACH COPIES OF ITEMS BELOW WITH YOUR APPLICATION:



### SOLE OWNERSHIP

1. Copy of California Driver's License
2. Copy of Social Security Card or Federal Employer's Identification Number (FEIN)
3. Verification of a resale permit (copy). Address on resale permit must match location of business.
4. If the business has kitchen facility, it must be inspected by health department and permitted.  
Copy of health department permit.



### PARTNERSHIP

1. Copies of California Driver's License on all partners
2. Copies of Social Security Cards on all partners or Federal Employers Identification Number (FEIN)



### CORPORATION OR LLC (LIMITED LIABILITY COMPANY)

1. Copy of any verification of Federal Employer's Identification number



### NON-PROFIT ORGANIZATION

1. Proof of non-profit status 501 c(3) corporate number, list of officers.
2. List of authorized personnel or agents to sign fund raising applications & permits.
3. Copy of Federal Employer's Identification number if business or organization has employees.



### ICE CREAM & MOBILE VENDORS

1. Copy of driver's license
2. Copy of social security card or Federal Employer's Identification Number (FEIN)
3. Vehicle inspection by Orange Cove Police Department
4. Current Health Department Sticker



### DOOR TO DOOR SOLICITING

1. Public Liability Insurance naming the City of Orange Cove as "additional insured"
2. List of authorized personnel and copies of photo identification
3. Copy of Federal Employers Identification Number (FEIN)

# Proposal

I will be conducting business from 10 AM - 2 AM Monday through Friday. I would like to have live entertainment, Dancing, DJ/Karaoke certain nights of the week. I am requesting An Amplified music and Dancing Permit yearly to increase business in the establishment. The music will be Monitored to stay under Acceptable decibel Range. The bar is located in a Commercial area not within proximity to residential houses, schools, or Churches.

Signed  
Richard Hickingbotham  
  
10-19-16

CALIFORNIA DRIVER LICENSE

DL B5135447

EXP 10/30/2017

LN HICKINGBOTTOM

FN RICHARD EDWIN

22149 E ADAMS AVE  
BEEDLEY, CA 93854

DOB 10/30/1977

SEX M

HAIR BRN EYES GRN

HGT 5'08" WGT 135LB

ISS 09/26/2016

10301977



*Richard Edwin Hickingbottom*

CLASS C  
END NONE

**CITY OF ORANGE COVE**

**NOTICE OF PUBLIC HEARING  
BEFORE THE CITY COUNCIL OF THE CITY OF ORANGE COVE  
REGARDING AWARD OF AN ENERGY CONSERVATION CONTRACT  
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 4217**

NOTICE IS HEREBY GIVEN that the Orange Cove City Council will hold a Public Hearing as required by Section 4217 of California Government Code, on **Wednesday November 9, 2016 at 6:30 pm** in the Council Chambers, 633 6<sup>th</sup> Street, Orange Cove, CA 93646 at which it will hear and consider information concerning a proposal to award an energy services construction contract for energy efficiency improvements to City street lighting facilities.

A copy of the staff report will be available to interested parties at the City Clerk's Office or online at **www.cityoforange Cove.com**.

If there are any further questions please call the City Manager, Samuel A. Escobar at (559)626-4488 ext. 215. Those wishing to comment on the proposed project may either appear in person at the Public Hearing or submit written communications to the City Clerk.

June V. Bracamontes, City Clerk  
City of Orange Cove  
633 6<sup>th</sup> Street  
Orange Cove, CA 93646  
(559)626-4488 ext. 214  
[jb@cityoforange Cove.com](mailto:jb@cityoforange Cove.com)

CITY OF ORANGE COVE

**COUNCIL MEETING DATE: November 9, 2016**

**ITEM TITLE: Consideration of Adopting a Resolution Approving Participation in Pacific Gas & Electric Company's (PG&E) Sustainable Solutions Turnkey (SST) Program; Authorizing application to California Energy Commission (CEC) for Funding of Energy Efficiency Projects; and Authorizing the City Manager to Execute Agreements as Necessary to Complete the Work.**

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**RECOMMENDATION:**

It is recommended that Council approve the attached resolution authorizing the City Manager to execute the Investment Grade Energy Assessment (IGA) Work Order and other documents associated with this project, for an amount not to exceed \$245,000; and authorize an application to the California Energy Commission (CEC) for funding of energy efficiency projects and execute agreements as necessary to complete the application.

**BACKGROUND:**

Early this year, staff engaged the services of Pacific Gas and Electric (PG&E) to complete a no-cost feasibility assessment on all City facilities. The findings from the audit suggested that the City could realize significant savings by implementing various energy conservation measures. These measures were shared with the Council on August 10, 2016, when the Council was asked for guidance on this project. The Council supported staff efforts and suggested that the process continue. Staff is looking to take the next step of initiating the Investment Grade Assessment with PG&E through the Sustainable Solutions Turnkey (SST) program.

**ANALYSIS:**

***Sustainable Solutions Turnkey Program***

PG&E's Sustainable Solutions Turnkey Program, or SST, is intended to provide a turnkey, comprehensive approach towards designing, building, managing, commissioning, monitoring and validating Energy Conservation Measures funded from energy cost savings. The program essentially allows for a streamlined solution to implementing energy conservation projects with the goal of implementing energy saving projects at City facilities and using the money saved from reduced energy consumption and operational maintenance costs to pay the debt service for the design and construction of the project. The program has the flexibility to allow participants to finance the entire project by this method, up to \$1 million in measures through the 0%, 10 Year, On-Bill Financing (OBF) mechanism, or to pay for part of it out of OBF and finance the remainder through the third party pass through payment mechanism termed On-Bill Repayment (OBR) or some other means.

In August of this year the City, with PG&E, completed and reviewed the Feasibility Assessment Report and identified multiple measures across all city facilities that would help the city reduce its energy spend and generate some of its own energy. These were reviewed with the City Council on August 10, 2016.

The next step to participate in the Program involves the City executing agreements with PG&E to complete an Investment Grade Assessment (IGA). The IGA completes a sufficient level of design for the identified energy and capital measures and provides the City with a fixed firm price for the implementation of the scoped project. The Assessment report will indicate the corresponding energy savings, costs and payback periods.

After completion of this report, staff will return to Council for project implementation approval. Upon approval, PG&E will handle all project design and construction tasks, contractor management, obtaining new and disposing of old fixtures, providing construction oversight and warranting the work upon completion.

*Schedule*

PG&E will begin work immediately following execution of an Agreement. It is estimated that the IGA will take approximately three (5) calendar months from the date of execution. A preliminary list of tasks and time frames is included below. Following execution of the Agreement, PG&E will schedule a kick-off meeting and work with staff to coordinate the schedule for the IGA work. The schedule may be adjusted somewhat if the City adds any additional ECMs after the date of execution of the Agreement.

Tasks	Calendar Days from Execution
• Kick-off Meeting	15
• Submission of Preliminary Report (45%)	75
• ECMs Formulation Conference	80
• Submission of Pre-Final Report (90%)	120
• Pre-Final Report Review Conference	130
• Submission of Final Report	150

***Procurement Process for Energy Conservation Measures***

The proposed agreement with PG&E to implement the energy conservation measures is different than the City's usual contracting procedures. In a typical scenario, the City would identify a project, complete the plans and specifications for that project, advertise for bids, then award a construction contract to the lowest responsible bidder. The procurement method for the SST Program falls within an exception to the usual procedures. California Government Code Sections 4217 allows the City to forego standard procurement processes for "energy services contracts" and "facility financing contracts" if it finds, at a regularly scheduled public hearing, that doing so serves the City's best interest.

Based upon the cost, investment payback period and the long term benefit to the City in reduced energy use and costs, it is recommended that the City Council support participation in the Program by holding a Public Hearing and adopting the proposed resolution. This will allow the City to enter into agreements with PG&E to design and implement the energy conservation measures identified in the IGA report.

***CEC Loan Application***

One possible source of project funding is the Energy Efficiency Financing Program through the California Energy Commission (CEC). The interest rate is fixed at 1% for the term of the loan. Loans must be repaid from the energy costs savings or other legally available funds within a maximum term of 20 years. The maximum loan amount is \$3 million. Applications may be submitted at any time. If funding becomes oversubscribed, applications will be placed on a waiting list in the order they were deemed complete. The required documentation includes the Feasibility Report (completed) and the CEC Loan Application, Summary of Energy Efficiency Measures in Loan Request Table, and documentation of Applicant's Authority to enter into agreement. The application process does not obligate the City to take the funds. Given the possible oversubscription, it is worth getting in line.

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to execute the Investment Grade Energy Assessment (IGA) Work Order and other documents associated with this project, for an amount not to exceed \$245,000, including the CEC loan application

ALTERNATIVES:

1. Take no action.
2. Refer back to staff for additional information.

ATTACHMENTS:

- A. Implementing Resolution
- B. PG&E Proposal for Investment Grade Energy Assessment (IGA)

FISCAL IMPACT:

No Impact/Not Applicable      The cost of the IGA will be incorporated into the overall cost of the efficiency measures implemented. PG&E will finance this cost as part of the project funding.

Funding Source Confirmed:

**RESOLUTION NO. 2016-59**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS TO ENGAGE PG&E TO PERFORM AN INVESTMENT GRADE ENERGY ASSESSMENT (IGA) FOR AN AMOUNT NOT TO EXCEED \$245,000; AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE CALIFORNIA ENERGY COMMISSION (CEC) FOR LOW INTEREST LOAN TO IMPLEMENT ENERGY EFFICIENCY MEASURES.**

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WHEREAS, the City of Orange Cove is committed to providing for the efficient use of energy resources in activities carried out or regulated by the City; and,

WHEREAS, California Government Code Sections 4217.12 and 4217.13 allow the City to forgo standard procurement processes for "energy services contracts" and "energy financing contracts" if the City Council makes certain findings that demonstrate that such action best serves the City's interest; and

WHEREAS, on November 9, 2016, the City Council held a Public Hearing as required by Government Code Sections 4217.12 and 4217.13 to consider energy conservation measures and financing options; and

WHEREAS, notice of such hearing was given in the manner and for the minimum time of at least two weeks before the meeting as required by law; and

WHEREAS, at the public hearing all interested persons were given an opportunity to be heard.

WHEREAS, the City has an opportunity to collaborate with Pacific Gas and Electric Company (PG&E) through its Sustainable Solutions Turnkey Program (SST), which provides a comprehensive approach towards designing, building, managing, commissioning, monitoring and validating Energy Conservation Measures funded from energy cost savings; and,

WHEREAS, in order to participate in the SST Program, the City must first permit PG&E to perform an Investment Grade Assessment (IGA); and,

WHEREAS, the IGA consists of professional consulting and engineering work necessary to complete a full assessment of energy efficiency opportunities at Orange Cove facilities as desired; and,

WHEREAS, PG&E has proposed to perform the IGA for an amount not to exceed \$245,000; and,

WHEREAS, the California Energy Commission provides loans to schools, hospitals, local governments, special districts, and public care institutions to finance energy efficiency improvements;

NOW, THEREFORE, the City Council of the City of Orange Cove resolves as follows:

1. Approves foregoing standard procurement processes to contract with PG&E for the Investment Grade Assessment, based on the authority of Government Code Section 4217.12 and 4217.13. The Council finds that the anticipated cost under the contract will be less than the anticipated cost to the City absence of this Program; and
2. Authorizes the City Manager to negotiate and execute an agreement engaging PG&E to perform an Investment Grade Energy Assessment (IGA) for an amount not to exceed \$245,000.
3. Authorizes the City Manager to apply for an energy efficiency loan from the California Energy Commission to implement energy efficiency measures; and
4. That in compliance with the California Environmental Quality Act (CEQA), the City of Orange Cove finds that the activity funded by the loan is determined to be Categorically Exempt under Class 1 – Section 15301 of CEQA, because the projects are characterized as the maintenance or minor alteration of public facilities that involve negligible expansion of an existing use; and
5. If recommended for funding by the California Energy Commission, the City Council authorizes the City of Orange Cove to accept a loan up to \$3,000,000; and
  1. The amount of the loan will be paid in full, plus interest, under the terms and conditions of the loan agreement, Promissory Note and Tax Certificate of the California Energy Commission; and
  2. The City Manager is hereby authorized and empowered to execute in the name of the City of Orange Cove all necessary documents to implement and carry out the purpose of the resolution, and to undertake all actions necessary to undertake and complete the energy efficiency projects.

\* \* \*

ADOPTED November 9, 2016, by the City of Orange Cove City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

## Exhibit A – Statement of Work

August 18, 2016

Mr. Samuel Escobar  
City of Orange Cove  
633 Sixth Street  
Orange Cove, CA 93646

Re: Proposal for Investment Grade Assessment  
PG&E SST Program, City of Orange Cove

Dear Mr. Escobar,

Pacific Gas and Electric (PG&E) is pleased to present our proposal to the City of Orange Cove (COC) for Sustainable Solutions Turnkey (SST) services, which are more fully described in the accompanying proposal. The services will consist of professional consulting and engineering work necessary to complete an Investment Grade Assessment (IGA) of energy efficiency and renewable energy opportunities at COC facilities included in the ECM table below. PG&E's services will be performed with our consultant Southland Energy who assisted in preparing the Preliminary Energy Assessment (PEA) presentation with your team. The scope of work in this proposal reflects our current understanding of COC's goals and the preferred energy conservation measures (ECMs).

Our effort will include a detailed evaluation and presentation of ECMs described in the PEA presentation originally dated March 26, 2016, and updated and presented on August 10, 2016 prepared for COC by PG&E. The scope of work accompanying this proposal describes the services, assumptions, schedule, and estimated cost to complete the work.

We look forward to working with the City of Orange Cove on this important Project. Please contact me if you have any questions about this proposal.

Sincerely,

David J. Carter | Business Development  
Pacific Gas and Electric Company  
245 Market St., San Francisco, CA 94105  
(415) 590-0071 Mobile  
(415) 973-4385 Office  
[d6c4@pge.com](mailto:d6c4@pge.com)

Be Safe!

## SCOPE OF WORK

Investment grade assessment services ("IGA Services") will be performed as described below:

### ECMs

Evaluate the seven (7) ECMs shown in Table 1 at the facilities shown in Table 2.

**Table 1:**

ECM Type / Strategy	Simple Payback (Years)	Electric Savings (kWh/yr)	Electric Energy Generation (kWh)	Natural Gas Savings (Therms/yr)	Total Non-Utility Savings (\$/Yr)	Total Utility Cost Savings (\$/Yr)	Total Savings (\$/Yr)	Total Potential Incentives (\$)	Total ECM Cost (\$)	Net ECM Cost (\$)
Lighting-Interior	9.8	88,363	0	0	500	20,967	21,467	10,080	211,200	211,200
Lighting-Exterior	12.3	118,470	0	0	1,900	25,548	27,448	18,450	338,800	338,800
HVAC	16.3	26,438	0	565	5,950	6,631	12,581	565	205,530	205,530
EMCS	12.6	45,876	0	2,847	0	12,645	12,645	6,517	159,343	159,343
Wastewater	9.4	185,031	0	0	500	28,680	29,180	27,755	275,000	275,000
Water Treatment	9.7	66,510	0	0	0	11,333	11,333	9,976	110,000	110,000
Photovoltaic	13.0	0	1,750,000	0	(12,000)	271,250	259,250	0	3,373,333	3,373,333
<b>Totals</b>	<b>12.5</b>	<b>530,688</b>	<b>1,750,000</b>	<b>3,412</b>		<b>377,054</b>	<b>373,904</b>	<b>73,343</b>	<b>4,673,206</b>	<b>4,673,206</b>

**Table 2:**

Facility Name	Simple Payback (Years)	Electric Savings (kWh/yr)	Electric Energy Generation (kWh)	Natural Gas Savings (Therms/yr)	Total Non-Utility Savings (\$/Yr)	Total Utility Cost Savings (\$/Yr)	Total Savings (\$/Yr)	Total Potential Incentives (\$)	Total ECM Cost (\$)	Net ECM Cost (\$)
WWTF	9.8	198,127	0	0	700	30,710	31,410	29,755	308,000	308,000
Water Tmt Facility	10.4	79,606	0	0	200	13,565	13,765	11,976	143,000	143,000
Community Center	9.6	121,422	0	1,117	3,500	30,780	34,280	10,395	330,393	330,393
Fire & Police Station	12.2	33,672	0	1,340	300	8,810	9,110	5,215	110,786	110,786
City Hall	13.1	19,067	0	205	750	4,306	5,056	3,466	66,118	66,118
City Yard	13.7	13,130	0	217	200	2,681	2,881	2,946	39,600	39,600
Dianne Feinstein Park	16.9	14,503	0	0	300	3,289	3,589	2,500	60,500	60,500
Senior Center	20.3	6,612	0	160	0	1,672	1,672	1,176	33,943	33,943
Eaton Mem. Park	16.9	7,543	0	0	200	1,429	1,629	1,500	27,500	27,500
Sheridan Park	15.5	3,824	0	0	200	862	1,062	1,000	16,500	16,500
Child Dev. Center	16.0	33,183	0	373	2,500	7,700	10,200	3,414	163,533	163,533
New Photovoltaic	13.0	0	1,750,000	0	(12,000)	271,250	259,250	0	3,373,333	3,373,333
<b>Totals</b>	<b>12.5</b>	<b>530,688</b>	<b>1,750,000</b>	<b>3,412</b>		<b>377,054</b>	<b>373,904</b>	<b>73,343</b>	<b>4,673,206</b>	<b>4,673,206</b>

## Project Meetings

- 1) Project meetings will include a kickoff meeting with PG&E and COC to discuss the following:
  - Project goals, scope, process and schedule.
  - PG&E and COC's expectations, needs and preferences as well as any issues or constraints.
  - PG&E's data needs.
  - Site work protocols and procedures for PG&E including safety, security, allowable work hours, vehicle parking, and access to facility areas.



- 2) Bi-weekly (twice per month) status, planning and coordination meetings with PG&E and COC via telephone conference call.
- 3) A final IGA presentation meeting with PG&E and COC to discuss the findings and recommendations presented in the IGA report and to determine the next steps.

## **Site Visits**

Site visits will occur as required to meet with site personnel, collect facility information, take measurements, install data collection equipment, and meet with vendors and subcontractors.

## **Final IGA Report**

PG&E will develop and submit an IGA report that includes the following information:

- Executive Summary - Overview of the project's scope of work, financials and next steps.
- IGA Development Process – Detailed description of how the IGA report was developed.
- Updated Utility – Utility analysis that examines relevant utility information for the past thirty-six (36) months (as available from COC and PG&E) to establish base year consumption, costs and rates for electricity and natural gas.
- Updated Energy Allocation Analysis – Energy allocation analysis that reflects actual end use energy consumption determined from measurements and data gathered during the IGA. This analysis examines end use energy consumption for significant systems and equipment and relates it to the total utility consumption for the facilities. We will utilize metered data provided by COC and will also install data loggers for key systems as required.
- Energy Conservation Measures – Detailed discussion of each ECM including existing conditions, proposed solution, scope of work for implementation, and expected benefits, savings, and implementation costs. Data to support the recommendations and conclusions for each ECM will be provided in sufficient detail to enable COC to make an independent evaluation of each ECM. For example, the energy and O&M savings analysis will include the following:
  - Base year energy use and cost.
  - Post-retrofit energy use and cost.
  - Savings estimates including analysis methodology, supporting calculations and assumptions.
  - Explanation of how savings duplication or interactions between retrofit options is avoided:
  - Operation and maintenance savings methodology, calculations and key assumptions.
  - Spread sheet analysis and/or computer simulation (where appropriate). Each analysis will include a short description and statement of key input data.
- Cost Benefit Analysis – Provides a detailed financial analysis including Pro Forma (cash flow) models and Life Cycle Cost Analysis (LCCA). These analyses will include inflation rates, discount rates and fuel and electricity escalation rates. Future savings will reasonably consider such factors as equipment degradation, expected usage factor,



incremental increase in maintenance costs, if applicable, overhaul reserves, etc. as appropriate for the Project.

- Project Rebates, Grants, and Incentives – Provides a detailed description of available rebate and incentive programs that the Project may be eligible for including all related documentation necessary to complete the application process. PG&E will initiate the rebate and incentive process and will provide a schedule identifying key tasks, milestones and roles and responsibilities.
- Project Cost Estimates – Provides a detailed cost estimate for each recommended ECM and the overall Project package. Includes a preliminary schedule of values for the implementation phase of the Project.
- Project Design and Construction Schedule – Provides a preliminary Project design and construction schedule (Microsoft Project Gantt Chart format) identifying each task/function including key milestones and responsible parties.
- Design Drawings – Design drawings will be provided as needed to supplement the written description of each ECM, sufficiently describe the function and features of the proposed solution, and to provide sufficient detail for developing firm design-build construction costs. The types of drawings required for this Project may vary from schematic/conceptual design level up to approximately 50% design level. Some ECMs such as interior lighting may not have drawings.

## **Assumptions and Clarifications**

The following assumptions and clarifications apply to the scope and costs in this proposal.

- Facility data/information will be made available in a timely fashion including utility bills, facility construction drawings, equipment data, and O&M data.
- Costs for subcontracted analytical testing are not included. PG&E can provide a quote for these services as required.
- Costs for procurement or installation of permanent measurement and monitoring equipment are not included. These services can be provided for additional compensation.
- PG&E will require close coordination with facility staff and other COC personnel in order to successfully complete the IGA. We assume that appropriate personnel will be available to support the Project during the site visits and meetings and also will be available for follow-up consultations.
- COC will provide escorts for our engineering personnel if needed while visiting the facilities. COC will arrange and provide access for PG&E to all facility areas and equipment as needed to complete the work.

## **IGA Deliverables**

1. Meeting Notes
2. Preliminary Report (45%)
3. Pre-Final Report (90%)
4. Bound Final Report
5. CD copies of all documents



### **IGA Exclusions**

1. Final construction plans (part of construction phase).
2. Stamped design drawings (part of construction phase).
3. Specifications (part of construction phase).
4. Permits (part of construction phase).

### **Schedule**

PG&E will begin work immediately following execution of an agreement. We estimate that the IGA will take approximately five (5) calendar months from the date of execution. A preliminary list of tasks and time frames is included below. Following execution of the agreement we will schedule the kick-off meeting and work with COC to coordinate the schedule for the IGA work.

<b>Tasks</b>	<b>Calendar Days from Execution</b>
• Kick-off Meeting	15
• Submission of Preliminary Report (45%)	75
• ECMs Formulation Conference	80
• Submission of Pre-Final Report (90%)	120
• Pre-Final Report Review Conference	130
• Submission of Final Report	150

### **Cost**

PG&E's price to provide the services described herein is a fixed lump-sum price of **Two Hundred and Forty Five Thousand Dollars (\$245,000)**.

**SERVICES AGREEMENT**

This Services Agreement is made and entered into as of \_\_\_\_\_, \_\_\_\_\_ (“Effective Date”) by and between \_\_\_\_\_, a \_\_\_\_\_ with offices at \_\_\_\_\_ (“Customer”) and Pacific Gas and Electric Company, a California corporation, with offices at 77 Beale Street, San Francisco, California 94105 (“PG&E”). Customer and PG&E shall each individually be referred to as a “Party” and together constitute the “Parties.”

**RECITALS**

WHEREAS, Customer desires assistance in implementing energy conservation and management services and other energy-related projects and services at one or more of its facilities located in PG&E’s service territory;

WHEREAS, PG&E desires to assist Customer implement the energy conservation measures as more fully set forth herein; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set out in this Agreement, Customer and PG&E agree as follows:

**1. DEFINITIONS.** In addition to those definitions set forth elsewhere in this Agreement, the following capitalized terms shall have the meanings set forth below:

1.1 “Agreement” shall mean this Agreement, and all such Agreement’s Exhibits, Work Orders and Change Orders, all of which are incorporated herein; as such Agreement, Exhibits, Work Orders or Change Orders may be amended, changed or modified from time to time.

1.2 “Change” shall mean: (a) any material addition to, deletion from, suspension of or other modification that materially affects the design, configuration, quality, or function of the Project or the Services; (b) a change or modification to or repeal of an applicable law after the Effective Date, (c) delay or other demonstrable material adverse impact to the Work Order resulting from a Force Majeure Event, or (d) any applicable performance or compliance requirement which Customer may newly articulate or revise during the Term.

1.3 “Change Order” shall mean a written document signed by the Parties that describes a Change to the Scope of Work or Work Order, and authorizes and directs PG&E to perform such Change. The Change Order may also authorize the additional compensation, if any, to be paid PG&E to perform such Change.

1.4 “Energy Conservation Measures” or “ECM” means an energy conservation measure which may include a feasibility study, engineering and design (e.g., IGA), operation and maintenance.

1.5 “Investment Grade Audit” or “IGA” shall mean the detailed analysis of all or a portion of a Facility to determine the technical and financial feasibility of implementing, operating and maintaining one or more ECMs at such Facility.

1.6 “Equipment” shall mean all of the equipment, machinery, technology and other items described in the applicable Work Order.



1.7 "Facility(ies)" shall mean the above-ground buildings and related premises owned or leased by Customer as set forth in the applicable Work Order.

1.8 "Force Majeure Event" shall mean any cause, act, event, condition or other occurrence materially impacting the Services or the Project Schedule not caused by the Party asserting the Force Majeure Event and that is beyond the control of such Party to avoid, overcome or remedy through the exercise of due diligence and reasonable efforts. Without limiting the foregoing, the following are examples of Force Majeure Events: acts of God and the public enemy; the relocation, repair, shut down, or construction of PG&E transmission or distribution facilities; flood, earthquake, tornado, storm, fire, power failures, epidemics, civil disobedience, labor disputes, shortage of components and supplies.

1.9 "Hazardous Materials." Any hazardous, toxic or dangerous wastes, substances, chemicals, constituents, contaminants, pollutants, and materials, including without limitation, asbestos-containing equipment or materials, lead-based paint, ozone depleting refrigerants, fluorescent tubes, fluorescent magnetic core and coil ballasts, carcinogenic, corrosive, ignitable, radioactive, and reactive or otherwise hazardous substances or mixtures (whether solids, liquids, or gases) now or at any time subject to regulation, control, removal, remediation or otherwise addressed under applicable law or under PG&E's CPUC-approved rules.

1.10 "Material Changed Condition" shall mean the unforeseeable or unanticipated discovery of the presence of Hazardous Materials or other unanticipated or unforeseeable condition or circumstance, at or near a Facility or Project site that has occurred or has been discovered after the Services has commenced that materially impacts the Schedule, the Services or PG&E's costs to perform the Services, was not caused by PG&E and that PG&E could not have discovered through the exercise of reasonable due diligence. Only by way of example, a Material Changed Condition includes but is not limited to (i) Hazardous Materials or other differing and unexpected site conditions, surface or subsurface conditions, (ii) adverse weather conditions unusual to the area where the Services is to be performed and that could not have been anticipated and that materially impacts the Services or Project Schedule; or (iii) unforeseeable material delays in Equipment, material deliveries or the availability of labor that materially impacts the Services or Project Schedule.

1.11 "Project" shall mean energy efficiency, energy conservation, energy management, energy production or other energy-related measures or projects; or any other energy-related matter, measure or project that is, or will become, the subject of a Work Order.

1.12 "Project Schedule" shall mean the estimated commencement date, sequence, duration, and, if appropriate, milestones, for Substantial Completion of the Project as set forth in the Work Order.

1.13 "Services" mean, collectively all activities to be performed by PG&E pursuant to this Agreement to complete a Project, including, without limitation, preliminary and/or IGA, design, Equipment or materials procurement, construction, installation, testing, completion, maintenance and operation of a Project. Services shall also include all labor, work, Equipment fabrication, assembly, modification, repair and replacement, and other activities as the Parties may agree upon and are set forth in a Work Order.

1.14 "Scope of Work" shall mean all of the Services to be performed by PG&E and/or its Subcontractors pursuant to the terms and conditions of a Work Order, and any Change Orders to a Work Order, as well as all other efforts of PG&E and other entities with respect to such Work Order, for the implementation of an ECM alone or as part of a Project pursuant to the terms and conditions of this Agreement and as specifically described in each Work Order and applicable Change Orders.



1.15 “Subcontractor” shall mean any corporation, limited liability company, partnership, association, or individual hired by PG&E to perform Services.

1.16 “Substantial Completion” shall mean the Project is generally capable of being used for or of achieving the purpose intended by the Work Order.

1.17 “Work Order” means the document executed by both Parties to complete the Services identified in such Work Order. Each Work Order shall be subject to the terms and conditions of this Agreement and the terms and conditions set forth in such Work Order. If there is a conflict between the Work Order or Change Orders and the terms and conditions of this Agreement, such Work Order/Change Order shall take precedence and shall establish the Scope of Work of each Project.

**2. SCOPE.** This Agreement sets forth the terms and conditions under which PG&E may assist Customer implement ECMs at one or more of Customer’s Facilities through Work Orders. This Agreement sets forth the terms and conditions under which Work Orders may be entered into by the Parties. All Work Orders shall be subject to and governed by this Agreement.

**3. RELATIONSHIP OF THE PARTIES.**

3.1 Independent Contractors. The Parties are independent contractors. Nothing herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the Parties and neither Party may create any obligations or responsibilities on behalf of the other Party.

3.2 Subcontractors. PG&E may subcontract its obligations hereunder to other persons or entities in order to perform the Services hereunder. PG&E agrees to impose on its Subcontractors obligations consistent with those set forth in this Agreement with respect to safety, security, confidentiality, insurance and indemnification. The fees and costs billed to Customer shall be inclusive of any and all fees and compensation due to any Subcontractors.

3.2.1 Subcontractor Selection. PG&E may perform some or all of the Services under a Work Order itself or through Subcontractors. Subcontractor selection shall be based on cost, experience, past performance, reliability and such other factors as practicably related to the Customer’s needs.

3.3 Project Management.

3.3.1 Authorized Persons. Customer and PG&E will each designate an employee who is sufficiently experienced to provide the information and support necessary to the other party for the performance of this Agreement (the “Authorized Person”). The Authorized Person for each party shall be the primary point of contact for inquiries and requests. Each such Authorized Person shall provide the other with such information and assistance as may be reasonably requested by the other from time to time for the purpose of the performance of this Agreement.

3.3.2 Approvals. The Authorized Person for each party will have the authority to issue, execute, receive, grant and provide any and all approvals, requests, notices and other communications permitted, required or requested by the other party; provided, however, that neither Customer nor PG&E shall rely for any purpose on any oral communication not confirmed in writing by an Authorized Person within twenty-four (24) hours, and provided however, that neither Customer nor PG&E shall rely for any purpose on any oral communication which would have the effect of amending this Agreement.



4. SERVICES.

4.1 General. Customer may request that PG&E assist Customer in the implementation of one or more of the ECMs at set forth in Exhibit A, which is attached hereto and incorporated by reference herein.

4.1.1 Preliminary Audit. At Customer's written request, PG&E or its Subcontractor will conduct, at no cost to Customer, a preliminary audit consisting of an on-site building investigation and evaluation for a mutually agreeable Facility to determine if any significant energy conservation opportunities exist and whether a further IGA is needed.

4.1.2 Investment Grade Audit. After reviewing the Preliminary Audit, the Parties may enter into a Work Order setting forth a Scope of Work for an "IGA to determine whether the ECMs proposed in the Preliminary Audit are feasible. The Work Order for the IGA shall specify the terms for completing the IGA and establish a price for the IGA. Customer shall pay for the IGA in accordance with the payment terms of this Agreement and the applicable Work Order. Unless otherwise agreed upon in the Work Order for the IGA, Customer shall provide PG&E, at Customer's sole cost and expense, legible and complete copies of all floor plans, drawings and any other documents deemed necessary by PG&E in order to provide the IGA.

4.1.3 Design and Implementation Phase. Upon completion of the IGA, PG&E will provide an ECM implementation proposal, which would include additional design, engineering and construction services (the "Proposal"). Customer shall evaluate the Proposal for technical and price reasonableness. If Customer elects to proceed with the ECM, the Parties will agree upon a Scope of Work with specifications, time of performance, ECM cost, source and cost of capital or financing, payment terms, amortization schedule and termination schedule which shall be set forth in a Work Order. If required, PG&E will provide acceptable payment and performance bonds.

4.1.4 Assumptions. Customer understands that performance of the Services is dependent upon Customer's cooperation. Therefore, Customer agrees to use its best efforts to cooperate with PG&E in the performance of the Services and shall provide PG&E with timely access to, during normal business hours, and use of Customer's personnel, facilities, data, Equipment, materials and information to the extent necessary for PG&E to perform the Services. Customer acknowledges and agrees that Work Orders may set forth additional details regarding PG&E's access to and use of the foregoing as well as Customer's computer systems and networks.

4.2 Changes and Change Orders. If a Change has occurred the Parties shall, if reasonably possible, agree on a Change Order. If the Parties are unable to agree on a Change Order, PG&E shall suspend its performance of the Services including the Change, until such time as the Parties' disagreement has been resolved pursuant to Section 11 (Dispute Resolution).

4.2.1 Material Changed Condition. PG&E will give written notice to Customer of the discovery of Hazardous Materials on or near a Facility, or other condition or circumstance PG&E or its Subcontractor believes to be a Material Changed Condition. Neither PG&E nor its Subcontractor will remove, remediate, repair or otherwise disturb any site, soil, subsurface conditions, Hazardous Materials or other adverse impacts on the Services or the Facility until Customer has had a reasonable opportunity to investigate to determine whether a Material Changed Condition has occurred. If Customer reasonably determines a Material Changed Condition has occurred, the Parties will, if reasonably possible, agree on a Change Order with respect to such Material Changed Condition. If the Parties fail to agree on a Change



Order relating to a Material Changed Condition, PG&E shall suspend Services until such time as the Parties have resolved the disagreement pursuant to Section 11 (Dispute Resolution).

(a) Handling and Disposal of Hazardous Materials. Customer acknowledges and agrees that PG&E has no obligation to investigate or inspect the Facility for the presence of Hazardous Materials, or to identify, remove, dispose of, abate, or remediate Hazardous Materials. Customer shall have sole responsibility for the identification, removal, disposal, abatement or remediation of Hazardous Materials, and for the clean-up, transport and disposal of any fixtures, materials, Equipment, or substances containing, exposed to or contaminated by Hazardous Materials, all in accordance with applicable laws.

4.2.2 Unanticipated Conditions. If any unusual or unanticipated conditions exist or arise at the Site (such as Hazardous Materials, environmental conditions or pollution), which conditions would involve the incurrence by PG&E of any expenses to correct such conditions, PG&E shall submit a written request to Customer for Customer's prior written approval of the corrective work and payment of the related expenses. The additional Services resulting therefrom will be set forth in a Change Order signed by both Parties.

4.2.3 Safety Waiver and Repair Services. If in the process of performing the Services, a condition is discovered at the Facility that, in the sole judgment of PG&E, (a) represents an extreme safety hazard to its worker's safety or other personnel, (b) may cause operational failure of the Equipment comprising the Facility, or (c) may cause damage to other Equipment being served by the Facility, PG&E will immediately notify Customer in writing of such condition and the Services necessary to remedy the condition. Customer will be asked to sign this written notification in the form of Exhibit B (Safety Waiver). Failure or refusal to sign the Safety Waiver will relieve PG&E and its Subcontractors of any responsibility to perform the Services.

4.2.4 Customer Delay. If the performance of particular Services by PG&E depends upon approvals or other decisions by Customer, or Customer furnishing particular data, drawings, documents or other information, and Customer does not timely perform or provide the same, the minimum time estimate for PG&E's completion of the particular Services which are dependent thereon shall be extended by the period of Customer's delay with respect thereto.

4.2.5 Change Costs. Customer shall reimburse PG&E for those reasonable costs incurred by PG&E or its Subcontractor(s) to implement a Change in accordance with the Change Order. These costs include, but are not necessarily limited to, increased costs for design and other professional services, expenses and taxes, if any.

4.2.6 With respect to any Change Order made in accordance with this Section 4, Customer acknowledges that PG&E and its Subcontractors shall not be obligated to commence and/or perform any Services pursuant to a Change Order unless and until PG&E has received the signed Change Order and Customer has issued PG&E a Work Order for such Change Order.

4.3 PG&E's Utility Obligations. Customer acknowledges that PG&E has an obligation to maintain, repair and service its own facilities, including those under the operation and control of the California Independent System Operator, in order to perform its duties as a public utility, which obligation takes precedence over any obligations undertaken in this Agreement. Accordingly, if PG&E determines at any time, in its sole discretion, that it requires any personnel or resources previously committed to the performance of Services under a Work Order in order to maintain adequate service to PG&E's other customers or to fulfill its duties as a public utility, then PG&E shall have the right to divert

the use of such personnel or resources to satisfy such requirements. If as a result of such action, PG&E is unable to perform its obligations under this Agreement and is unable to procure a third party to perform the Services (or a portion thereof), then PG&E shall be excused from the performance of the Services affected by such action to the extent so affected. In that event, PG&E shall have no liability to Customer, and shall not be considered in default under this Agreement, for such failure to perform.

## 5. FACILITY SAFETY AND HAZARDOUS MATERIALS

5.1 Facility Safety. Customer shall be responsible for ensuring that the Facilities are safe for PG&E personnel and Subcontractors performing Services at Customer's facilities. Customer shall also cooperate with PG&E personnel working on-site and shall promptly take such actions that may be requested by PG&E personnel to help ensure a safe working environment.

5.2 Hazardous Materials. Prior to performing any Services at a Facility, Customer will inform PG&E and Subcontractors of the presence of any Hazardous Materials of which Customer is aware exist inside the Facility (e.g., asbestos). If PG&E or its Subcontractor discovers any Hazardous Materials at or around the Facility after commencement of the Services, the procedures specified below in Section 5.3 shall apply. Neither PG&E nor its Subcontractors shall handle, remove, dispose of or remediate any Hazardous Materials absent Customer's prior written instructions and the execution of a Change Order.

5.3 If, during performance of the Services, PG&E or a Subcontractor reasonably believes that it has encountered or detected the presence of Hazardous Materials, PG&E will promptly stop performing the Services and notify Customer of such Hazardous Materials or conditions. Customer will promptly investigate for the presence of Hazardous Materials and inform PG&E of the results of this evaluation. PG&E will not resume the performance of the Services until the Hazardous Materials have been removed, disposed of, abated or remediated to PG&E's reasonable satisfaction. Any delay or increase in the Services or costs as a result of the testing, presence, removal, disposal, abatement or remediation of Hazardous Materials shall be grounds for a Change Order.

## 6. COMPENSATION.

6.1 Payment Terms. Customer shall pay PG&E for the Services performed in accordance with payment terms set forth in the applicable Work Order. Unless otherwise set forth in the Work Order, each payment made by Customer must reference this Agreement, the Work Order and invoice number and be mailed to PG&E to the attention of Accounts Payable.

6.2 Late Payments. All late payments shall be subject to an interest charge, which is the greater of: (i) one and one half percent (1.5%) per month, or (ii) the maximum legal rate. In the event that any unpaid amounts are referred to collection, including but not limited to any applicable late fees, Customer shall reimburse PG&E for all costs and expenses of collection, including all reasonable attorneys' fees and costs related thereto.

6.3 Expenses. Customer agrees to reimburse PG&E for all expenses incurred in connection with PG&E's performance of the Services, including but not limited to all travel and lodging expenses. Expenses shall be invoiced at their actual cost and will be reflected on PG&E's invoices and shall be paid in accordance with the payment terms set forth in the applicable Work Order.

6.4 Taxes. Customer shall be solely responsible for the payment of any and all sales, use, transfer, and other taxes and duties, whether state, federal, national or international, however designated,



which are levied or imposed on PG&E because of the Services performed under this Agreement (other than taxes based on PG&E's net income) ("Taxes"). If PG&E has the legal obligation to pay or collect Taxes for which Customer is responsible under this Section 6.4, the appropriate amount shall be invoiced to and paid by Customer unless Customer provides PG&E with a valid tax exemption certificate authorized by the appropriate taxing authority verifying that Customer is not required to pay those Taxes and is legally exempt.

## 7. WARRANTIES AND WARRANTY DISCLAIMERS

7.1 Customer Warranties. Customer represents and warrants to PG&E that: (a) it has the full corporate right, power, and authority to enter into the Agreement and to perform its obligations hereunder; (b) the terms of the Agreement and the performance by such Party of its duties and obligations hereunder, do not violate and will not cause a breach of the terms of any other agreement or any applicable law to which such Party is a party or by which it is subject or bound; (c) when executed and delivered by such Party, the Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms; and (d) it is either the owner or lessee of the Facility and has all necessary rights to allow PG&E and Subcontractors access to such Facility so that they may perform the Services.

### 7.2 PG&E Limited Warranties.

7.2.1 PG&E warrants that the Services will be performed in a commercially reasonable manner consistent with the level of care and skill exercised by others when performing Services of a similar nature under similar circumstances. Unless otherwise agreed to by PG&E in writing, the warranty period for Services furnished hereunder shall be for a period of twelve (12) months from the date of Substantial Completion ("Service Warranty Period").

7.2.2 Remedies. Customer must notify PG&E of any non-conformity or defect in the Services within the Service Warranty Period. If Customer notifies PG&E within the Services Warranty Period, and PG&E confirms the Services were not performed in accordance with Section 7.2.1, then PG&E, in its sole discretion, will either re-perform the non-conforming Services within a commercially reasonable period of time at PG&E's cost and expense or (b) refund the applicable fees paid to PG&E by Customer for the non-conforming Services. THIS SECTION 7.2.2 STATES CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND PG&E'S SOLE LIABILITY FOR A BREACH OF THE SERVICE WARRANTIES SET FORTH ABOVE IN SECTION 7.2.1. THE SERVICE WARRANTIES EXTEND TO CUSTOMER ONLY AND CANNOT BE ASSIGNED BY CUSTOMER.

7.3 Third Party Warranties. PG&E shall use commercially reasonable efforts to obtain from all manufacturers, Customers and distributors standard guarantees and warranties ("Third Party Warranties") on the Equipment used in the Services or in an ECM, and any warranty for the Equipment shall be limited to the Third Party Warranties provided by manufacturers, Customers, and distributors. All such Third Party Warranties, including without limitation those for defects, whether latent or patent, in Equipment shall terminate upon the conclusion of each such applicable Third Party Warranty period. Neither PG&E nor its Subcontractors shall have any liability for breach of a Third Party Warranty, whether express or implied, or for any latent or patent defect of any kind. PG&E shall assign all Third Party Warranties directly to Customer.

7.3.1 The Third Party Warranty expressly excludes any remedy or liability for damage or defect caused by the improper use, or improper or inadequate operations or maintenance of Equipment or for the Services by users other than the Customer; corrosion, erosion, deterioration, abuse, modifications



or repairs not performed by an authorized subcontractor; or for wear and tear under normal usage. At Customer's option, Customer may contact the Equipment manufacturer, Customer or distributor directly to resolve any Third Party Warranty issues and Customer acknowledges that Customer and Equipment manufacturer, Customer or distributor shall have sole responsibility for such issues.

7.4 No Guarantee of Energy Savings. PG&E DOES NOT WARRANT OR GUARANTEE ANY LEVEL OF ENERGY, WATER SAVINGS, COST REDUCTIONS OR EQUIPMENT OR ECM PERFORMANCE.

7.5 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 8, CUSTOMER EXPRESSLY AGREES THAT PG&E MAKES NO OTHER WARRANTIES AND ASSUMES NO OTHER LIABILITIES, WHETHER IN CONTRACT OR IN TORT, IN CONNECTION WITH THE AUDIT, DESIGN, ENGINEERING, EQUIPMENT PROCUREMENT, CONSTRUCTION, IMPLEMENTATION, OPERATIONS, MAINTENANCE, SERVICES, EQUIPMENT OR ECMS HEREUNDER WHETHER EXPRESS OR IMPLIED, IN LAW, IN EQUITY OR IN COMMUNICATIONS BETWEEN PG&E AND CUSTOMER. PG&E SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER SHALL HAVE NO REMEDIES AGAINST PG&E FOR ANY DEFECTIVE SERVICES, INSTALLED EQUIPMENT, OR OPERATION OF AN ECM EXCEPT IN ACCORDANCE WITH THE WARRANTY SET FORTH IN THIS SECTION 7 OR AS THE PARTIES MAY EXPRESSLY AGREE IN ANY WORK ORDER OR AMENDMENT TO THIS AGREEMENT.

## 8. LIMITATION OF LIABILITY

8.1 IF PG&E IS HELD TO BE LIABLE TO CUSTOMER OR TO ANY PARTY CLAIMING BY OR THROUGH CUSTOMER BY REASON OF PG&E'S PERFORMANCE OF SERVICES UNDER THIS AGREEMENT, PG&E'S TOTAL AGGREGATE LIABILITY WITH RESPECT TO DAMAGES AND LOSSES RELATING TO THIS AGREEMENT SHALL BE LIMITED TO THE LESSER OF: (A) THE PRICE FOR THE SERVICES UNDER THE WORK ORDER GIVING RISE TO THE CLAIM; OR (B) THE TOTAL AMOUNT PAID BY CUSTOMER TO PG&E FOR THE SERVICES UNDER THE WORK ORDER GIVING RISE TO THE CLAIM.

8.2 IN NO EVENT SHALL PG&E BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, COST OF DELAYS, REPLACEMENT OF POWER, OR LOSS OF PROFITS, EVEN IF PG&E IS ADVISED BY CUSTOMER OF THE POSSIBILITY OF SUCH DAMAGES.

8.3 THE ABOVE LIMITS OF LIABILITY ARE EXCLUSIVE AS TO ALL REMEDIES AND THE LIABILITY CAP SHALL NOT BE COMBINED WITH ANY OTHER LIMITS OF LIABILITY SO AS TO INCREASE THE CAP VALUE IN ANY PARTICULAR INSTANCE OR SERIES OF INSTANCES. THE PARTIES AGREE THE ABOVE SECTIONS 7 - 9 REPRESENT THE BASIS OF THE BARGAIN AND A FAIR ALLOCATION OF RISK BETWEEN THE PARTIES.

8.4 Basis of the Bargain. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE FOREGOING SECTIONS ON WARRANTIES, WARRANTY DISCLAIMER AND LIMITATION OF LIABILITY IN THE AGREEMENT FAIRLY ALLOCATE THE RISKS BETWEEN THE PARTIES AND ARE ESSENTIAL ELEMENTS OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES SUCH THAT THE PARTIES WOULD NOT HAVE ENTERED INTO THIS AGREEMENT WITHOUT SUCH SECTIONS.



**9. INDEMNIFICATION.** Customer covenants and agrees that Customer will indemnify, defend and hold harmless PG&E, its affiliates, and PG&E's and its affiliates' respective directors, officers, employees, agents, successors and assigns (collectively, the "PG&E Indemnitees") from and against any and all claims, damages, costs, expenses, (including attorneys' fees and court costs) and liabilities (including settlements) brought or asserted by any third party against the PG&E Indemnitees resulting from, arising out of or related to any claim: (i) for personal injury, including death, or property damage, including theft, caused to any of the PG&E Indemnitees, Subcontractors or a third party by Customer's action or inaction, whether negligence or intentional misconduct; and (ii) resulting from Customer's breach of any representations, warranties or covenants contained above in Sections 7.1 or 7.2; and (iii) any data, Equipment, information, software or other property provided to PG&E hereunder or any elements embodied therein, or that any of the PG&E Indemnitees' use of any of the foregoing infringe or misappropriate the intellectual property rights of any third party (each of the foregoing (i) through (iii) are referred to as a "Claim"). PG&E shall promptly notify Customer of any Claim and shall (at Customer's sole expense) reasonably cooperate with Customer to facilitate the settlement or defense of such Claim. Customer shall, at its own expense, indemnify, defend and hold harmless the PG&E Indemnitees from and against all costs of defending the Claim, including attorneys' fees and court costs (including those incurred by the PG&E Indemnitees in enforcing this provision). Customer shall keep PG&E Indemnitees informed of, and consult with PG&E Indemnitees in connection with the selection of counsel to defend the Claim and the progress of such litigation or settlement. Customer shall not have any right to settle any such Claim without the specific prior written approval from a designated legal representative of the PG&E Indemnitees.

**10. TERM, SUSPENSION AND TERMINATION**

10.1 Term. This Agreement shall commence on the Effective Date and shall terminate upon later of: (a) three (3) years from the Effective Date, or (b) the Final Completion of all then-outstanding Work Orders, unless otherwise terminated earlier pursuant to this Section 10 (the "Initial Term"). This Agreement may be renewed, upon thirty (30) days prior written notice, for two (2) additional one (1) year periods upon the mutual written agreement of the Parties (each a "Renewal Term"). The Initial Term and all Renewal Terms shall be collectively referred to as the "Term".

10.2 Termination for Cause. If either Party materially defaults in the performance of any of its duties and obligation hereunder, or such material default is not cured within thirty (30) days after written notice thereof, this Agreement may be terminated by the non-defaulting party for cause as of the date specified in the notice. In addition, a Party may be entitled to terminate the Agreement immediately if a Party files a petition in bankruptcy, makes an assignment for the benefit of its creditors, becomes insolvent, fails to do business in the ordinary course, shall have or suffer the appointment of a receiver or trustee for its business or property, or be adjudicated bankrupt or insolvent, or bankruptcy proceedings are commenced by or against such Party.

10.3 PG&E's Additional Termination Rights.

10.3.1 Change in Law. In the event legislation or governmental regulations would prohibit PG&E from providing the Services under this Agreement (in whole or in part), PG&E may terminate the Agreement or any Work Order (without any liability or penalty) upon thirty (30) days' notice. Upon the effective date of PG&E's termination notice under this Section, Customer will pay PG&E for all of the Services provided to Customer as of the effective date of the termination notice.



10.3.2 Program Change. PG&E may terminate this Agreement immediately and without prior notice in the event the California Public Utilities Commission ("CPUC") issues a ruling or order prohibiting or otherwise preventing PG&E from fulfilling, or substantially interfering with PG&E's ability to fulfill, its obligations under this Agreement, or finding that this Agreement is contrary to the policies of the CPUC. .

10.4 Suspension of Service. PG&E reserves the right (in addition to any and all other rights and remedies PG&E may have) to suspend the performance of the Services, including those performed by Subcontractors, without any penalty or liability to Customer, if any invoice remains unpaid (in whole or in part) after the date payment is due until such invoice (including late penalties) is paid in full.

10.5 Effect of Termination. Upon any expiration or termination of this Agreement, PG&E's obligations to Customer shall be to continue to perform the Services until the effective date of such termination (except as otherwise instructed in writing by PG&E), to wind down and terminate the Services in an efficient, workmanlike and cost-effective manner, and to cooperate with PG&E in the transition to third parties or employees designated by PG&E.

10.5.1 Effect of Customer's Termination.

(a) If Customer terminates a Work Order for cause pursuant to Section 10.2 and prior to Substantial Completion, Customer may do so by giving written notice to PG&E at least thirty (30) days prior to the effective date of such termination. In that event, Customer shall pay PG&E the amount set forth in the termination schedule set forth in the applicable Work Order.

(b) If Customer terminates a Work Order for cause pursuant to Section 10.2 and after Substantial Completion, Customer may do so by giving written notice to PG&E at least thirty (30) days prior to the effective date of such termination. In that event, Customer shall pay PG&E the amount set forth in the termination schedule set forth in the applicable Work Order.

10.6 Survival. The following Sections of this Agreement shall survive expiration, cancellation or other termination of this Agreement: 1, 6, 7 through 9, 10.5, 10.6 and 11 through 13. Any other provisions of this Agreement that would generally be construed as intended to survive the expiration, cancellation or other termination of this Agreement shall also survive such expiration, cancellation or other termination.

**11. DISPUTE RESOLUTION.** If any dispute, excluding payment defaults or delinquencies, arises under the Agreement that is not settled promptly in the ordinary course of business, the Parties shall first seek to resolve any such dispute between them by negotiating promptly in good faith in face-to-face negotiations. These face-to-face negotiations shall be conducted by the respective designated senior managers of each Party responsible for their relationship, and shall be escalated internally by each Party as reasonably necessary to seek resolution of the dispute. If the Parties are unable to resolve the dispute between them through these face-to-face negotiations within thirty (30) business days following their commencement (or within such other period as the parties may otherwise mutually agree upon), then the parties shall escalate the dispute to their most senior executives within their organization. If the Parties' most senior executives are unable to resolve the dispute within thirty (30) business days or such other period as they may mutually agreed, then either Party may pursue available legal and equitable remedies.

**12. GOVERNING LAW AND VENUE.** This Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of another jurisdiction. Any controversy or claim arising out of or in any way relating to this



Agreement shall be litigated in a California Superior Court of competent jurisdiction; or if jurisdiction over the action cannot be obtained in a California Superior Court, in a Federal District Court of competent jurisdiction situated in the State of California, and Customer hereby consents to the personal jurisdiction of such courts.

**13. FORCE MAJEURE.** A Party will be excused from a delay in performing, or a failure to perform, its obligations under this Agreement (excluding Customer's payment obligations) to the extent such delay or failure is caused by the occurrence of a Force Majeure Event. In such event, the performance times shall be extended for a period of time equivalent to the time lost due to the Force Majeure Event. However, if a Force Majeure Event (excluding any affecting Customer's payment obligations) continues more than ninety (90) days, the party not relying on the excusable delay may, at its option, terminate the affected Product Order Form or Work Order, in whole or in part, upon notice, without penalty or obligation to the party suffering under the Force Majeure Event.

**14. GENERAL TERMS.** This Agreement contains the entire agreement between the parties regarding the Services and supersedes any other prior oral or written agreements. In the event of any conflict or inconsistency between the terms of this Agreement and any Work Order, such Work Order shall control. Any different or additional provisions in purchase orders, invoices or similar documents issued by Customer are hereby deemed refused by PG&E and such refused provisions will be unenforceable. Any modifications hereto must be in writing and signed by the parties. A waiver by any party of any breach will not constitute a waiver of any different or subsequent breach. If any part of this Agreement is invalid, illegal or unenforceable for any reason, that portion shall be replaced with a valid provision appropriate to the parties' original intent and the remainder shall be enforced.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed as of the Effective Date first set forth above.

**PACIFIC GAS AND ELECTRIC COMPANY      CUSTOMER**

245 Market Street MC N10D  
San Francisco, CA 94105

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

**Name: Roxanna Fong**

**Name:**

**Title: Manager**

**Title:**

**Date:**

**Date:**



**EXHIBIT A  
POTENTIAL ECMS**

Potential ECMS that may be included in a Work Order are set forth below:

- a. Implementation, modification, repair, maintenance and/or operation of on-site generation/cogeneration facilities, including those fueled by alternative resources, emergency and back-up power supply systems,
- b. Power quality and power reliability solutions including uninterruptible power supply systems, thermal energy storage systems and fuel switching technology,
- c. Power factor correction measures and equipment,
- d. Transformer replacement,
- e. Interior and exterior lighting system replacement,
- f. Lighting control improvements,
- g. Occupancy sensors,
- h. LED exit sign installation,
- i. Motors replacement with high efficiency motors,
- j. Packaged air conditioning unit replacement,
- k. Cooling tower retrofit,
- l. Economizer installation,
- m. Energy management control system installation/alteration/repair,
- n. Fans and pump replacement or impeller trimming,
- o. Chiller retrofit,
- p. Variable frequency or variable speed drive utilization,
- q. Replacement of air conditioning & heating unit with a heat pump,
- r. Addition of liquid refrigerant pump to a reciprocating air conditioning unit,
- s. Heat pipe dehumidification,
- t. High efficiency window air conditioner replacement,
- u. Upgrade of natural gas-fired boilers with new controls (low NOx burners),
- v. Boiler control improvements,
- w. Steam trap maintenance and replacement,
- x. Infrared heating system,
- y. Solar domestic hot water system,
- z. Solar air preheating system,
- aa. Insulation installation,
- bb. Weatherization,
- cc. Window replacement,
- dd. Window coverings and awnings,
- ee. Reflective solar window tinting,
- ff. High efficiency refrigerator replacement,
- gg. Water conservation device installation (e.g., flow restrictors, low flow flush valves, waterless urinals, horizontal axis washing machines),
- hh. Faucet replacement (infrared sensor),
- ii. Water distribution system leak detection, and cost effective repair,
- jj. Flash bake commercial cooking,
- kk. Operation, maintenance, modification and/or extension of utility distribution and collection system,
- ll. Training that will result in reduced energy costs,
- mm. Installation, maintenance and operation of standby propane facility,
- nn. Installation, maintenance and operation of gas distribution system and associated equipment,



- oo. Any other cost-effective ECM, including those that reduce Customer's energy consumption, energy demand or energy costs, provide energy savings, improve energy reliability, and other energy infrastructure improvements, and water conservation.
- pp. Design and/or scoping efforts in support of Authorization(s) other than the Authorization in which such design and/or scoping efforts are ordered and under which they are compensated.



**EXHIBIT B  
SAFETY WAIVER**

PG&E has informed the Customer's on-site representative of the following condition(s) which, in the opinion of PG&E's on-site representative, should be remedied before the Services may be resumed at the Facility. Customer recognizes that if the below-listed condition at the Facility is not remedied as recommended by PG&E, an accident may occur causing damage to the Facility, Equipment and/or injury to persons, including but not limited to, the employees of Customer, PG&E and Subcontractors.

By signing this waiver, Customer acknowledges and accepts all liability associated with this condition

Description of condition:

Equipment ID#: \_\_\_\_\_ (If applicable)

Executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Facility name: \_\_\_\_\_

CUSTOMER

Sign: \_\_\_\_\_

Name (print): \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

PACIFIC GAS AND ELECTRIC COMPANY

Sign: \_\_\_\_\_

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## TABLE OF CONTENTS

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1.0	EXECUTIVE SUMMARY .....	2
2.0	Approach to Preliminary Energy Assessment.....	5
3.0	Utility Analysis.....	6
4.0	Benchmarking .....	8
5.0	Energy Conservation Measures.....	12
6.0	Rebate and Incentive Programs .....	26
7.0	PRELIMINARY FINANCIAL ANALYSIS.....	29
8.0	SST PROGRAM OVERVIEW .....	31
9.0	Next Steps .....	33

## 1.0 EXECUTIVE SUMMARY

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Pacific Gas & Electric (PG&E) presents the City of Orange Cove with this Sustainable Solutions Turnkey (SST) Preliminary Energy Assessment (PEA) for the City's facilities. The SST team focused on confirming the economic viability of implementing a comprehensive SST project that includes energy efficiency, renewable energy, and operational/infrastructure upgrades that support the City's energy, sustainability, and long-term infrastructure goals.

The focus of the PEA effort was on the City's facilities with the greatest energy use, implementation of renewable energy systems, and facilities identified as high priority by City staff. A number of energy conservation opportunities were identified and evaluated, and the findings demonstrate that the City can benefit from the SST program and that it would produce economic, environmental, and long-term infrastructure benefits.

### **Preliminary Energy Assessment (PEA) Project Goals**

The City of Orange Cove is focused on reducing energy consumption, decreasing operating costs, and reducing Green House Gas (GHG) emissions associated with operation of its facilities. In pursuit of these objectives, the City engaged PG&E to assess the feasibility of implementing a turnkey, design-build, energy efficiency retrofit project utilizing PG&E's SST program. This PEA effort is a critical step in the SST project development process and it begins with a collaborative goal setting session with key City stakeholders and the SST team to establish the foundation and framework for the project. The primary goals include:

- ❖ Identify upgrades and retrofits to reduce energy consumption, improve the condition of the City's facilities and infrastructure, and improve operational efficiency.
- ❖ Investigate the viability of implementing photovoltaic energy generation and other renewable energy technologies.
- ❖ Identify potential funding sources for an SST project including low and no interest financing sources, traditional financing opportunities, and utility rebates and incentives.
- ❖ Identify an economically viable SST project consisting of multiple measures (energy efficiency and renewable energy) that is aligned with the City's objectives.

## Summary of PEA Findings

The PEA process identified a number of potential energy conservation measures (ECM) across the City's portfolio of facilities that can be bundled into an economically viable SST project. The measures include upgrades and replacements of heating, ventilating and air conditioning systems (HVAC), upgrade of interior and exterior lighting systems to LED technology, installation of Energy Management and Control Systems (EMCS) for monitoring and control of HVAC and lighting systems, pumping system efficiency improvements for the water treatment facility, aeration and pumping system efficiency improvements for the wastewater treatment plant, and a 1,000 kW<sub>AC</sub> photovoltaic energy generation system. The ECM strategies and the estimated savings and costs for each are summarized in Table 1.1 below. A summary of the ECMs for each facility are shown in Table 1.2.

**Table 1.1: PEA ECM Summary Table**

ECM Type / Strategy	Simple Payback (Years)	Electric Savings (kWh/yr)	Electric Energy Generation (kWh)	Natural Gas Savings (Therms/yr)	Total Non-Utility Savings (\$/Yr)	Total Utility Cost Savings (\$/Yr)	Total Savings (\$/Yr)	Total Potential Incentives (\$)	Total ECM Cost (\$)	Net ECM Cost (\$)
Lighting-Interior	9.8	88,363	0	0	500	20,967	21,467	10,080	211,200	211,200
Lighting-Exterior	12.3	118,470	0	0	1,900	25,548	27,448	18,450	338,800	338,800
HVAC	16.3	26,438	0	565	5,950	6,631	12,581	565	205,530	205,530
EMCS	12.6	45,876	0	2,847	0	12,645	12,645	6,517	159,343	159,343
Wastewater	9.4	185,031	0	0	500	28,680	29,180	27,755	275,000	275,000
Water Treatment	9.7	66,510	0	0	0	11,333	11,333	9,976	110,000	110,000
Photovoltaic	13.0	0	1,750,000	0	(12,000)	271,250	259,250	0	3,373,333	3,373,333
<b>Totals</b>	<b>12.5</b>	<b>530,688</b>	<b>1,750,000</b>	<b>3,412</b>		<b>377,054</b>	<b>373,904</b>	<b>73,343</b>	<b>4,673,206</b>	<b>4,673,206</b>

Tables 1.1 and 1.2 provide summaries of the ECM strategies that the SST team recommends for further evaluation as part of the Investment Grade Assessment (IGA). Note that the energy savings, cost savings, and the estimated ECM construction costs presented in this report are preliminary and are for budgetary purposes only. The costs shown represent a turn-key design-build construction approach. This is indicative of the types of opportunities and the scale and economics of a comprehensive PG&E SST program.

Table 1.2 - ECM Summary by Facility

Facility Name	Simple Payback (Years)	Electric Savings (kWh/yr)	Electric Energy Generation (kWh)	Natural Gas Savings (Therms/yr)	Total Non-Utility Savings (\$/Yr)	Total Utility Cost Savings (\$/Yr)	Total Savings (\$/Yr)	Total Potential Incentives (\$)	Total ECM Cost (\$)	Net ECM Cost (\$)
WWTF	9.8	198,127	0	0	700	30,710	31,410	29,755	308,000	308,000
Water Tmt Facility	10.4	79,606	0	0	200	13,565	13,765	11,976	143,000	143,000
Community Center	9.6	121,422	0	1,117	3,500	30,780	34,280	10,395	330,393	330,393
Fire & Police Station	12.2	33,672	0	1,340	300	8,810	9,110	5,215	110,786	110,786
City Hall	13.1	19,067	0	205	750	4,306	5,056	3,466	66,118	66,118
City Yard	13.7	13,130	0	217	200	2,681	2,881	2,946	39,600	39,600
Dianne Feinstein Park	16.9	14,503	0	0	300	3,289	3,589	2,500	60,500	60,500
Senior Center	20.3	6,612	0	160	0	1,672	1,672	1,176	33,943	33,943
Eaton Mem. Park	16.9	7,543	0	0	200	1,429	1,629	1,500	27,500	27,500
Sheridan Park	15.5	3,824	0	0	200	862	1,062	1,000	16,500	16,500
Child Dev. Center	16.0	33,183	0	373	2,500	7,700	10,200	3,414	163,533	163,533
New Photovoltaic	13.0	0	1,750,000	0	(12,000)	271,250	259,250	0	3,373,333	3,373,333
<b>Totals</b>	<b>12.5</b>	<b>530,638</b>	<b>1,750,000</b>	<b>3,412</b>		<b>377,054</b>	<b>373,904</b>	<b>73,343</b>	<b>4,673,206</b>	<b>4,673,206</b>

## Next Steps

After the City has reviewed the PEA, the City and the SST team will meet to discuss the findings and plan the path forward, including establishing the scope for the Investment Grade Assessment (IGA) phase of the project development. Upon agreement of the IGA scope, the SST team will present the City with a proposal to execute the IGA and deliver a fixed-price proposal to the City for a turnkey, design-build SST project. We look forward to collaborating closely with the City of Orange Cove to deliver a comprehensive, high-performance SST project.

## Thank You

The PG&E SST team expresses our gratitude to the City of Orange Cove for committing its valuable team members to the PEA process and sharing the information necessary for the completion of this assessment.

## 2.0 APPROACH TO PRELIMINARY ENERGY ASSESSMENT

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### Methodology

The primary purpose of the PEA is to identify financially viable energy efficiency and operational upgrade opportunities that meet the City's specific goals for this project. To identify these potential opportunities, the SST team conducted site visits to several of the City's key facilities, interviewed key personnel, reviewed utility data and available building information, reviewed the audit reports developed by ConSol Energy, developed preliminary ECM solutions and scopes of work and analyzed the financial viability of each ECM. The following sections provide an overview of our approach to developing this PEA.

### PEA Process Overview

The PEA process consists of six main steps:

1. **Kickoff Meeting**– A meeting of the City's key stakeholders and the SST team to review the SST program process and establish the primary goals for a SST project.
2. **Utility and Benchmark Analysis** – This effort is used to develop a facility level understanding of the City's utility consumption and costs, as well as a comparison of the City's facilities against similar facilities in industry databases.
3. **Field Survey**– A brief field investigation/audit of important facilities and significant energy consuming systems.
4. **Baseline Energy & Cost Analysis** – A more detailed analysis of existing energy use and costs within facilities used for identifying potential ECM solutions and their savings.
5. **ECM Solution Development and Analysis** – Identification and development of the preliminary ECM solutions including the benefits, estimated costs and financial analyses.
6. **PEA Presentation and Report**– Presentation of PEA findings and feasible SST project options to the City.

## 3.0 UTILITY ANALYSIS

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The utility analysis is a key, fundamental element of the PEA that is used to gain a deeper understanding of utility consumption and costs for each of the City's facilities. The results of the analysis provide the foundation for all subsequent steps in the PEA including comparison and benchmarking of facilities, allocation of energy and cost to systems within individual facilities, and savings calculations. Ideally, this analysis is performed utilizing measured consumption and invoiced costs from utility billing records.

The City of Orange Cove receives electric utility service for its facilities from PG&E and natural gas service from So Cal Gas. PG&E provided 12 months of monthly electrical use and cost data (Dec. 2014 – Dec. 2015) to the SST team for most of the City's facilities except for the Child Development Center. We were able to obtain 12 months of electrical use and cost data (March 2014 – Feb. 2015) for the Child Development Center from the ConSol energy report. We have not yet received access to natural gas utility data, however, we have estimated gas use and costs for several facilities based on energy use intensities (EUI) for similar facilities and current published So Cal Gas tariffs. The basic summarization and analysis of the annual electric consumption and costs for each facility is captured in Table 3.1 below and the estimated annual natural gas use and cost for six buildings is shown in Table 3.2. The City's natural gas and water utilities will be investigated further during the Investment Grade Assessment (IGA).

This basic review and analysis of the electric utility data reveals that just three (3) of the City's facilities account for 82% of the total annual energy use and 77% of the cost. Extending this analysis to the 4<sup>th</sup> and 5<sup>th</sup> highest electric energy users shows that 90% of the use and 88% of the cost are attributed to just five facilities. This insight will help focus the efforts of the SST team during the IGA to areas where the greatest impact can be made.

Table 3.1: One Year Electric Utility Summary (12/6/14 - 12/6/15)

Facility Name	Total Use (kWh)	Max Demand (kW)	Total Cost (\$)	% of Total Electric Use	% of Total Cost
Wastewater Treatment Facility	839,051	164	\$130,028	45.40%	38.4%
Water Treatment Facility	443,397	152	\$75,540	23.99%	22.3%
Community Center/Gene Welch Athletic Field	233,215	164	\$57,511	12.62%	17.0%
Child Development Center	81,360	47	\$18,191	4.40%	5.4%
Fire & Police Station	74,385	22	\$17,246	4.03%	5.1%
City Hall	40,467	16	\$8,814	2.19%	2.6%
City Yard/Animal Shelter	30,278	13	\$5,807	1.64%	1.7%
Dianne Feinstein Park	22,313	31	\$5,061	1.21%	1.5%
Senior Center	15,927	14	\$3,737	0.86%	1.1%
WWTF Pump Station	13,664	13	\$3,033	0.74%	0.9%
J.O. Eaton Park	12,572	4	\$2,383	0.68%	0.7%
Bandstand (at Eaton Park)	8,372	6	\$1,931	0.45%	0.6%
1190 W. Railroad Ave	8,022	2	\$1,693	0.43%	0.5%
Sheridan Park	6,373	0	\$1,436	0.34%	0.4%
100 N. Jacobs Ave.	5,535	4	\$1,401	0.30%	0.4%
Sum of 15 Meters <5,000 kWh/year each	13,036		\$5,241	0.71%	1.5%
<b>TOTAL:</b>	<b>1,847,967</b>		<b>\$339,054</b>		

Table 3.2: Summary of Estimated Baseline Natural Gas Use and Cost for Six Facilities

Facility Name	Estimated Total Use (Therms)	Estimated Total Cost (\$)	% of Total Gas Use	% of Total Cost
Wastewater Treatment Facility	TBD	TBD		
Water Treatment Facility	TBD	TBD		
Community Center/Gene Welch Athletic Field	4,003	\$2,431	32.3%	31.6%
Child Development Center	1,794	\$1,123	14.5%	14.6%
Fire & Police Station	4,116	\$2,498	33.2%	32.4%
City Hall	734	\$496	5.9%	6.4%
City Yard/Animal Shelter	1,164	\$750	9.4%	9.7%
Senior Center	573	\$400	4.6%	5.2%
<b>TOTAL:</b>	<b>12,384</b>	<b>\$7,699</b>		

## 4.0 BENCHMARKING

Utility and energy benchmarking is the process of characterizing and normalizing a facility's utility consumption and costs and comparing the performance indicators to similar facilities in established industry databases. The results of this process provide the next level of insight into the performance of the subject facilities and additional means of identifying the areas with the greatest opportunity for energy and cost savings. Since gas and water utility data is not available yet, the initial benchmarking effort for Orange Cove is limited to the electric utility.

### Benchmarking Analysis

The first step in the energy benchmarking process is to determine the normalized performance indicators, or Energy Use Intensity (EUI), for each facility using the annual utility baseline established in the utility analysis. Typically there will be an overall EUI for the facility and subordinate EUIs for electricity and other fuel sources (e.g. gas, propane, fuel oil, and coal). The EUIs for most buildings are normalized with the square footage (such as kWh/SF or kBtu/SF). However, for some facilities it is more meaningful to normalize with other criteria, such as the daily volumetric intake for a wastewater treatment plant.

In this initial benchmarking effort, we have calculated EUIs for six buildings and performed benchmarking comparisons for the Community Center, Child Development Center and Fire and Police Station. Table 4.1 summarizes the EUIs calculated for each facility.

Table 4.1: Energy Use Intensity

Building or Facility Name	Area (SF)	Annual Electric Use (kWh)	Annual Gas Use (Therms)	Total Annual Energy Use (kBtu)	EUI Electric (kWh/SF)	EUI Gas (kBtu/SF)	EUI Total Energy (kBtu/SF)
Community Center/ Gene Welch Athletic Field	22,350	233,215	4,003	1,196,251	10.43	17.91	53.51
Child Development Center	8,363	81,360	1,794	457,068	9.73	21.45	54.64
Fire & Police Station	7,660	74,385	4,116	665,524	9.71	53.74	86.87
City Hall	4,100	40,467	734	211,545	9.87	17.91	51.59
City Yard/Animal Shelter	6,500	30,278	1,164	219,754	4.66	17.91	33.80
Senior Center	3,200	15,927	573	111,671	4.98	17.91	34.89

The electric EUIs for the City's buildings were then compared to facilities in the California End Use Survey (CEUS) database with similar energy-related operating characteristics such as size (indoor

area), primary use (e.g. office, warehouse, and retail), number of weekly operating hours, age and climate. A summary of the key criteria used to select buildings for comparison with the City's buildings are shown in Table 4.2.

Table 5.2: Key Criteria for Selection of Comparison Buildings

Building or Facility Name	Use Type	Size	Range of Weekly Hours of Operation	Vintage	Location
Community Center/ Gene Welch Athletic Field	Recreational Center, Other Recreational/ Public Assembly	All	30-84	All	Central Valley, South Inland
Child Development Center	Daycare or Preschool	All	30-84	All	All of California
Fire & Police Station	Fire/Police Stations	All	40-84	All	Central Valley, South Inland

## Benchmarking Results

The output of the benchmarking analysis is a statistical comparison of the EUIs for a population of facilities selected to be similar to the specific building being analyzed. The primary information utilized from the analysis is the median EUI for the buildings. Buildings with EUIs higher than the median indicate they have worse than typical energy performance and conversely, buildings with EUIs lower than the median have better performance than the typical building in the study group.

The results for the City's buildings show that the Community Center and the Fire and Police Station have electrical EUIs that are very close to the median, and the EUI for the Child Development Center is significantly above the median. These results indicate that each of these facilities has room for improvement in its energy performance, and that the Child Development Center may have significant opportunity to improve. When these results are combined with the magnitude of energy consumption and cost from the utility analysis, then the level of opportunity for savings gains some clarity. Refer to Figures 4.1 – 4.3 below for a graphical summary of the benchmarking results for the City's buildings.

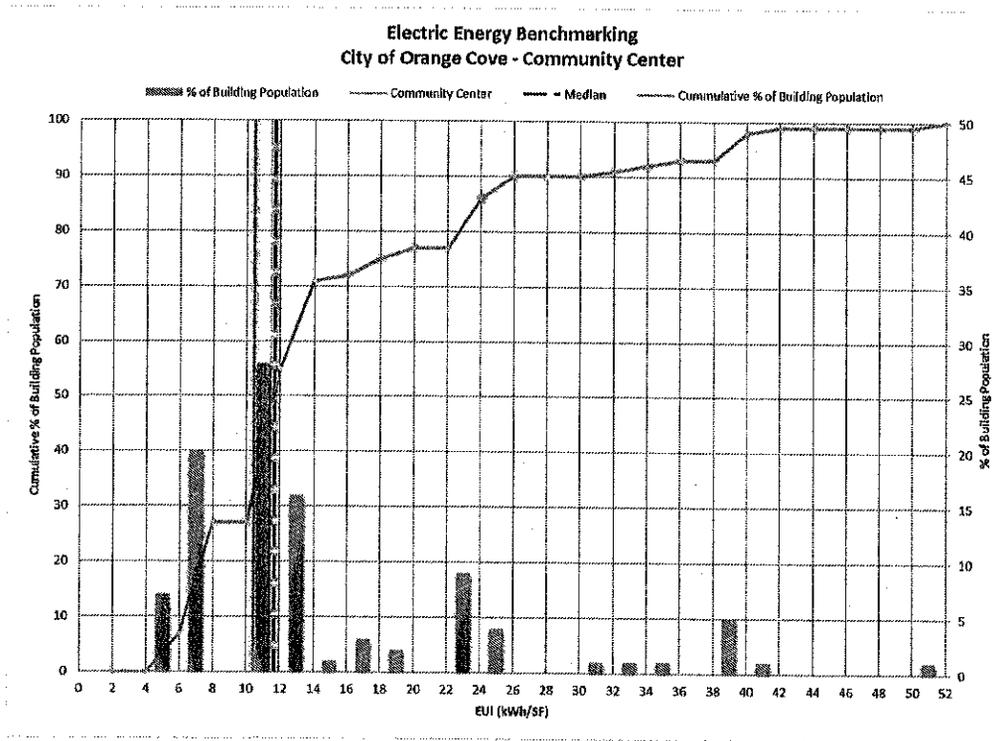


Figure 4.1: Community Center Energy Use Intensity Benchmark Comparison

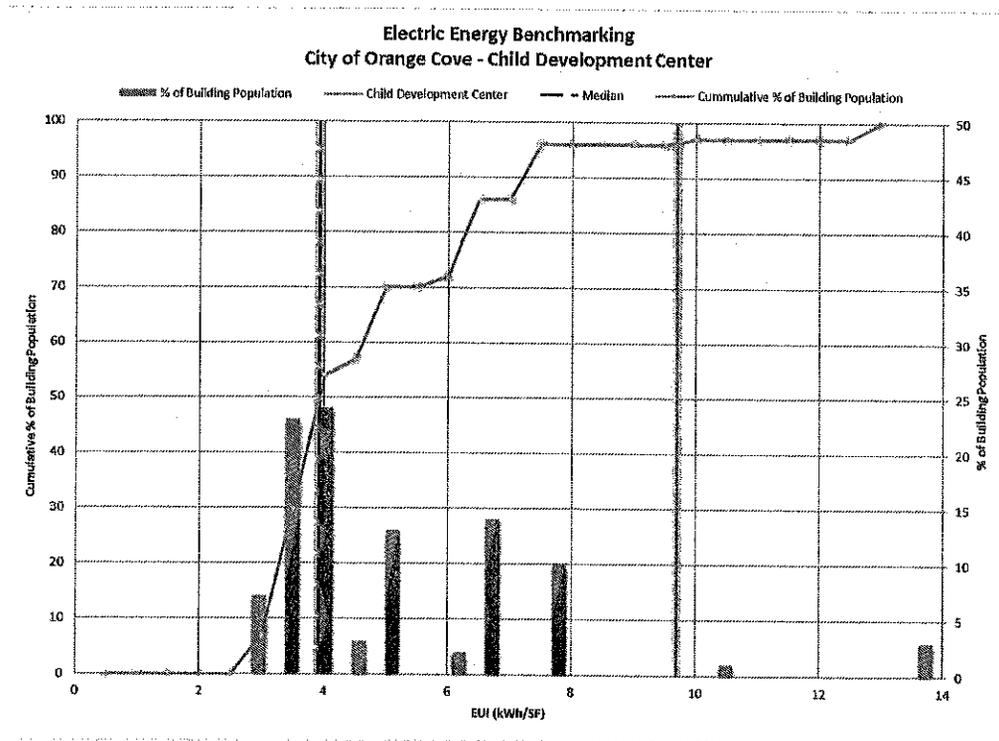


Figure 4.2: Child Development Center Energy Use Intensity Benchmark Comparison

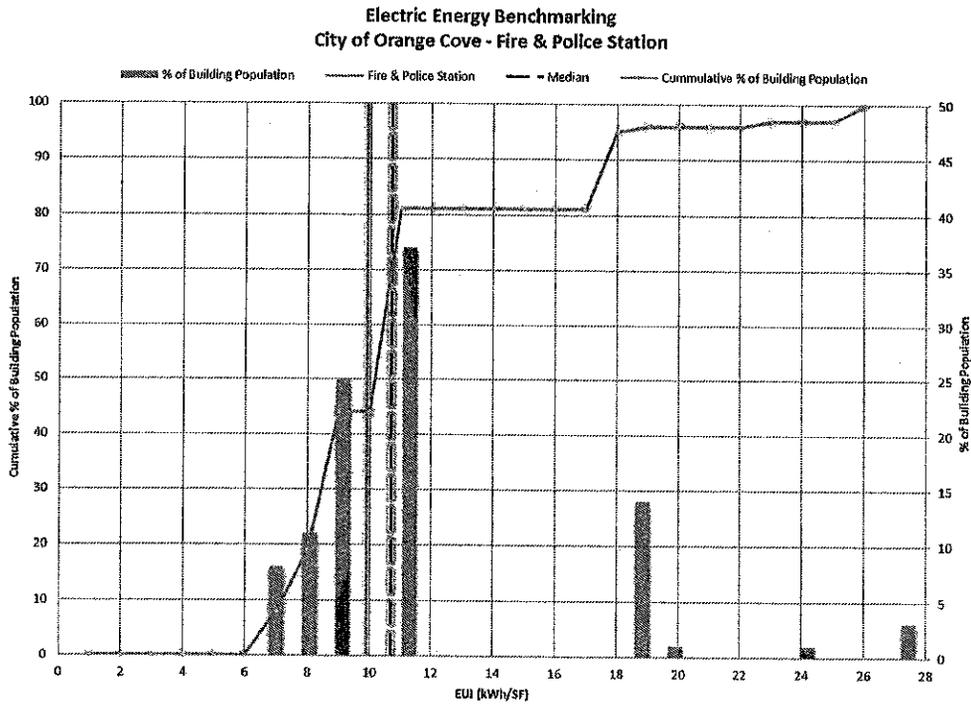


Figure 4.3: Fire and Police Station Energy Use Intensity Benchmark Comparison

## 5.0 ENERGY CONSERVATION MEASURES

The SST team has identified a number of financially viable energy conservation opportunities that are aligned with the City's goals identified for this program. The ECMs were developed through a combination of meetings and interviews with on-site staff, field visits of target facilities, analysis of utility and benchmark data, and energy and economic analysis of potential ECM opportunities. A discussion of the existing conditions, identified solutions and estimated savings for each ECM, or group of ECMs is presented in this section. An overview of the applicable solutions for each facility is presented in Table 6.1 below.

An overview of the identified energy conservation measures.

Table 6.1: Summary of Energy Conservation Measures

Building or Facility Name	Interior Lighting Improvements	Exterior Lighting Improvements	HVAC Improvements	Energy Management & Control System (EMCS)	Wastewater Treatment Plant Improvements	Water Treatment Facility Improvements	Photovoltaic Energy Generation
Wastewater Treatment Plant	👍	👍			👍		
Water Treatment Facility	👍	👍				👍	
Community Center/ Gene Welch Athletic Field	👍	👍	👍	👍	👍		
Child Development Center	👍	👍	👍	👍			
Fire & Police Station	👍	👍	👍	👍			
City Hall	👍	👍	👍	👍			
City Yard/Animal Shelter	👍	👍	👍	👍			
Senior Center	👍	👍		👍			
New Central Photovoltaic System							👍

## ECM 1.0 Interior Lighting Improvements

The focus of this energy conservation measure is to reduce the energy consumption of the City's indoor lighting systems, improve the efficiency of the indoor lighting systems, improve the life-cycle costs associated with the lighting systems, and standardize the components of these systems as much as is reasonable within the goals and financial constraints of the project.

### Existing Conditions:

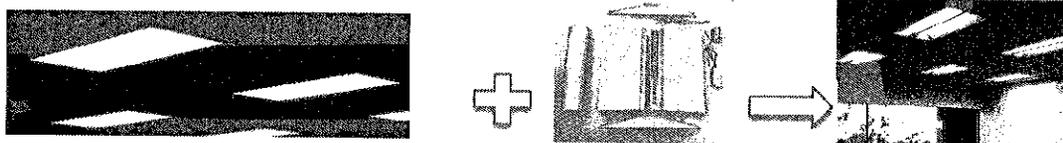
Most of the interior spaces throughout the City's facilities are equipped with aging linear fluorescent light fixtures utilizing T8 lamps. Some limited areas are still utilizing fixtures with significantly older, inefficient T12 lamp technology. In addition, high wattage, High Intensity Discharge (HID) fixtures are utilized in the high bay gymnasium area in the Community Center.

The initial facility survey found little use of lighting controls, such as occupancy control, to reduce operating hours and energy consumption. However, the utility analysis and resulting energy use allocations indicate that these lighting systems are generally not operating excessive hours.

### Proposed Solution:

In general, the indoor lighting systems will be improved through application of LED technology in the majority of the City's facilities. The envisioned solutions include:

1. Linear fluorescent to LED upgrade by modifying existing fixtures with LED retrofit kits. This is the preferred solution and will eliminate the existing lamps, ballasts, and lenses utilizing an engineered solution that includes the LED lighting elements, electronics, reflectors and lens. The existing fixture housing and power wiring to the fixture remain in place.



2. Replacement of entire fluorescent luminaire with new LED luminaire. In situations where the existing fixture housings are in poor condition or otherwise not suitable for a retrofit solution, the luminaire will be replaced with a new LED luminaire.

3. Replace Gymnasium High Bay Luminaires. The high bay HID luminaires will be replaced with new high bay LED luminaires.
4. Convert existing linear fluorescent lamps to LED tubes. It is envisioned that this solution will be used very sparingly for cases where preferred solutions cannot be applied.
5. Install new, Title-24 compliant lighting controls for the new lighting systems.



### **ECM Benefits:**

The expected benefits of this ECM include:

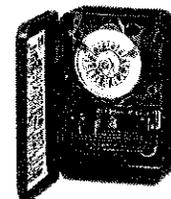
- Reduced electrical demand, consumption and related costs resulting from more efficient fixtures and advanced lighting controls.
- Reduced maintenance efforts and related costs for lamp and ballast replacement. The new LED systems have rated lifetimes that are 60% to 100% longer than typical fluorescent lamps.
- The ability to reduce demand related costs at some facilities by using the new controls to manage lighting demand during peak utility rate periods.
- No warm up or restrike times for the gymnasium lights which enables the use of occupancy control options that can significantly reduce operating hours and energy consumption.

### **ECM 2.0 Exterior Lighting Improvements**

The focus of this energy conservation measure is to reduce the energy consumption of the City's outdoor lighting systems, improve the efficiency and life-cycle costs of these systems, and improve the quality of light provided by these systems.

#### **Existing Conditions:**

The exterior lighting systems at the City's facilities are generally employed in common applications such as parking areas, building exteriors, walkways, parks and sports fields. The existing systems primarily utilize aging, inefficient technologies including metal halide, high pressure sodium and low pressure sodium. The initial surveys found limited use of newer technologies such as fluorescent or LED fixtures. For the PEA, it is assumed that the exterior lighting systems have time-clock or photo-cell controls that limit their use to the hours when they are typically needed.



#### **Proposed Solution:**

In general, the exterior lighting systems will be improved through application of LED technology in the majority of the City's facilities. The envisioned solutions include:

- Replacement of existing non-sports field exterior luminaires with new high-efficiency LED luminaires. The applications at the City's facilities typically include parking area lights, building wall packs, pole-mounted area lights and flood lights.
- Installation of Title-24 compliant controls for the new exterior lighting systems. In most cases, the new controls will be integrated into the new fixtures.



It is not clear yet if converting the City's sports field lighting systems to LED is economically attractive. We recommend that these systems be evaluated in more detail during the IGA phase of the project to establish hours of use, operating costs and options for replacement/retrofit systems.

#### **ECM Benefits:**

The expected benefits of this ECM include:

- Reduced electrical demand, consumption and related costs resulting from more efficient fixtures and advanced lighting controls.
- Reduced maintenance efforts and related costs for lamp and ballast replacement. The new LED systems have rated lifetimes that are 100% to 200+% longer than most HID lamps.
- Improved color temperatures and color rendering.
- No warm up or restrike times which allow for more control options that reduce operating hours.

#### **ECM 3.0 Energy Management and Control System**

The focus of this energy conservation measure is to reduce the energy consumption of the City's HVAC and other building systems, improve the City's visibility into the operation and energy use of its building systems, and provide the City with the information and tools needed to actively manage the energy use in its facilities.

**Existing Conditions:**

The City does not currently have a networked energy management and control system (EMCS) for control and monitoring of its HVAC and other energy consuming systems in its buildings. The findings of the PEA effort show that a variety of local, stand-alone controls are used for the City's HVAC systems. These controls provide basic on/off and temperature control, and in some cases the ability to set-up scheduled operation for the equipment. One of the common drawbacks to these controls is they do not get actively managed since a technician must visit the facility in order to observe the existing settings and make needed adjustments. This often results in excessive energy use due to unneeded operating hours and extreme temperature set-points that cause over cooling and heating. Additionally, the stand-alone controls lack the ability to provide the City's facility staff with feedback about the operation of the building systems which makes it very difficult to identify situations where excessive energy is used.

**Proposed Solution:**

The proposed solution is the installation of a new EMCS for the City's facilities that provides improved control, visibility, monitoring and management of the building systems and energy use. In general, the EMCS will include a new central EMCS server and software, networked automation and monitoring systems in the buildings for the HVAC systems and other select systems such as lighting, and network connections between the buildings and the server. The new EMCS will be used to implement basic and advanced control strategies for the controlled systems which are described in more detail below. Additionally, data logging, analytics (automated system analysis) and reporting will be configured for key system parameters and performance indicators that will enable informed management of the controlled systems. The envisioned control strategies for most buildings will include:

- Scheduled operation: Enable and disable systems using a daily schedule based on normal business hours of the building. For example, the systems might be enabled to operate Monday – Friday from 8:00 AM to 5:00 PM, except for City observed Holidays, and would be disabled outside that schedule.
- HVAC Dead-band Temperature Control: Temperature control for each system utilizing separate heating and cooling set-points to reduce use of the heating and cooling systems and minimize fighting between the heating and cooling systems.

- HVAC Occupancy Control: Utilize the lighting system occupancy controls and/or new occupancy controls to reduce operation of the HVAC units when areas are unoccupied during normally scheduled operation.
- Demand Management: Briefly modify the operation of the systems to reduce demand during periods of peak electrical cost and use during hot summer months. This strategy can be applied to lighting systems with dimming controls and HVAC systems. For HVAC, the strategy typically involves a slight increase of the space temperature set-points in order to reduce operation of the compressors.

The envisioned application of the EMCS solutions for specific facilities are described below.

- Community Center
  - Install new controls for packaged rooftop HVAC systems serving offices and conference rooms.
  - Install new controls for semi-custom HVAC systems serving the gymnasium, computer center and kitchen.
  - Implement Ventilation Control for Gymnasium. This strategy reduces the amount of outside air drawn into the HVAC system when real-time ventilation needs are reduced.
  - Connect new lighting controls into the EMCS.
  - Energy monitoring.
- Child Development Center
  - Install new controls for HVAC systems.
  - Connect new lighting controls into the EMCS.
  - Energy monitoring.
- Police and Fire Station
  - Install new controls for HVAC systems.
  - Connect new lighting controls into the EMCS.
  - Energy monitoring.
- City Hall
  - Install new controls for HVAC systems.
  - Connect new lighting controls into the EMCS.
  - Energy monitoring.
- Senior Center
  - Install new controls for HVAC systems.

- o Connect new lighting controls into the EMCS.
- o Energy monitoring.
- City Yard & Animal Shelter
  - o Connect new lighting controls into the EMCS.
  - o Energy monitoring.

**ECM Benefits:**

The expected benefits of this ECM include:

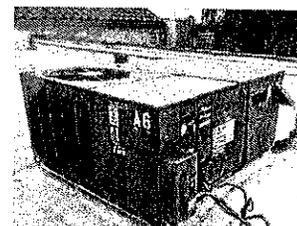
- Reduced electrical and natural gas consumption and related costs resulting from reduced system operating time, customized control strategies for each system and building, and central management of critical energy-related parameters.
- Reduced electrical demand and related costs for sites with time-of-use rates using advanced demand management control strategies.
- Real-time visibility into the operation and energy use at the City's facilities including the data and reporting needed to resolve issues and keep energy use on target.

**ECM 4.0 HVAC Upgrades**

The focus of this energy conservation measure is to improve the efficiency and reduce energy consumption of the City's HVAC systems, and improve the condition of aging/failing systems.

**Existing Conditions:**

The City has five primary facilities with significant HVAC systems for cooling and heating of indoor spaces including the Community Center, Child Development Center, Fire and Police Station, and Senior Center. The HVAC systems primarily consist of packaged rooftop systems, some split systems, and a few semi-custom units at the Community Center for the gymnasium, computer center and kitchen. The following table has an initial summary of the existing systems.



Building	Area Served	Type	Qty	Year	Manuf.	Cooling Capacity	Heat Type	Note
Comm. Center	Offices, Conference Room, Lobby, Corridors	Packaged	3	1996	Ruud	5 ton	Gas	
Comm. Center	Offices, storage	Packaged	1	1996	Ruud	7.5 ton	Gas	
Comm. Center	Gymnasium	Semi Custom	1	1997	Aztec	Approx. 15 tons	Gas	Direct-indirect evaporative cooling module, split DX cooling, mixing dampers

Building	Area Served	Type	Qty	Year	Manuf	Cooling Capacity	Heat Type	Note
Comm. Center	Computer Center	Semi Custom	1	1997	Aztec	Approx. 3 tons	Gas	Direct-indirect evaporative cooling module, split DX cooling, mixing dampers
Comm. Center	Kitchen	Semi Custom	1	1997	Aztec	No DX Cooling	Gas	Direct-indirect evaporative cooling module
Child Devel.	Front office	Packaged	1	2002	Carrier	3	Gas	
Child Devel.	Non-Classroom areas	Packaged	2	1996	Carrier	6	Gas	
Child Devel.	Classrooms	Packaged	2	1996	Carrier	8.5	Gas	
Child Devel.	Art classrooms	Ductless Split	2	1996	Sanyo	2.5	TBD	
Fire & Police	Front office	Packaged	1	2007	Carrier	2.5	Gas	
Fire & Police	Front office	Packaged	1	2009	Carrier	2.5	Gas	
Fire & Police	Front office	Packaged	1	2009	Carrier	5	Gas	
Fire & Police	Truck Garage	Unit Heater	2	TBD	Reznor	N/A	Gas	
City Hall	1 <sup>st</sup> Floor	Split DX, Gas Furnace	1	2014	Goodman, Carrier	3	Gas	Goodman cond. unit, Carrier condensing furnace (Weathermaker 9200)
City Hall	1 <sup>st</sup> Floor	Split DX, Gas Furnace	1	2010	Carrier	3	Gas	Carrier cond. unit & condensing furnace (Weathermaker 9200)
City Hall	2nd Floor	Split DX, Gas Furnace	1	1998	Carrier	3.5	Gas	Carrier cond. unit & furnace
Senior Center	All	Packaged	2	2004	York	5	Gas	

**Proposed Solution:**

The initial proposed solutions for the City's HVAC systems vary by building and use, but are generally focused on replacement of inefficient systems that are near or passed their typical useful lives, and utilize enough energy to make the upgrade financially attractive.

**Community Center**

- Replace the four (4) aging Ruud packaged units with new high efficiency, Title 24 compliant units with capacities matching the existing systems.
- The initial information gathered in the PEA indicates that the mechanical cooling system for the gymnasium HVAC system is not used often, so the supply fan and heating system are the main energy use. Consequently, the initial solution considered for this system is the installation of a variable frequency drive for the supply fan to vary the airflow to the gym based the load, and refurbishment of the mixing dampers. This system will be evaluated in detail for its fitness for the suggested modifications during the IGA phase. If the unit is not suitable for modification, alternatives including replacement will be investigated.

#### Child Development Center

- Replace the five (5) aging Carrier packaged units with new high efficiency, Title 24 compliant units with capacities matching the existing systems.
- Replace the two (2) aging Sanyo ductless split systems with new high efficiency, Title 24 compliant units with capacities matching the existing systems.

#### Police and Fire Station

- The HVAC systems at the Fire and Police station are 7 to 9 years old and are not recommended for replacement based on the information collected in the PEA.
- These HVAC systems will be studied in additional detail during the IGA to determine if replacement or other solutions are warranted.

#### City Hall

- The HVAC systems serving the first floor are relatively new and are not recommended for replacement based on the information collected in the PEA.
- The HVAC system serving the second floor is approximately 18 years old and the condensing unit and indoor furnace/forced air unit will be replaced with a new high efficiency, Title 24 compliant system.
- The HVAC systems will be studied in additional detail during the IGA for other possible solutions.

#### Senior Center

- The HVAC systems at the Senior Center are approximately 12 years old and new units could present a good efficiency improvement. However, the utility analysis indicates that these systems are not using much energy and are not recommended for replacement.
- These HVAC systems will be studied in additional detail during the IGA to determine if replacement or other solutions are warranted.

### ECM Benefits:

The expected benefits of this ECM include:

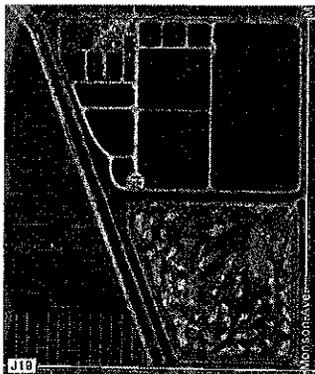
- Reduced electrical use, demand, natural gas consumption and related costs resulting from improved system efficiencies.
- Reduced maintenance efforts and related costs resulting from elimination of aging equipment.
- Avoidance of capital expenditures associated with replacing the aging systems.

### ECM 5.0 Wastewater Treatment Plant Upgrades

The focus of this energy conservation measure is to reduce energy consumption for the plant's aeration and pumping systems where feasible.

#### Existing Conditions:

The wastewater treatment plant (WWTP) uses 45% of the City's total electrical energy consumption and as much as the next four highest electrical consuming facilities combined. This amount of energy use and cost warrant that significant focus be placed on the WWTP since small to moderate energy improvements will make a big impact for the City.



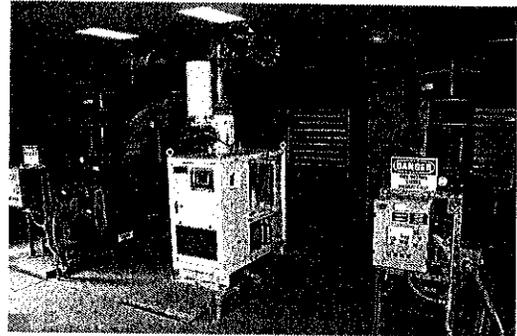
Currently the SST team has a limited picture of the processes and equipment used at the WWTP. However, the initial site visit and interviews identified pumping and aeration systems as primary energy users. Industry studies show that in-plant pumping systems commonly represent about 35% of a WWTP's energy use and aeration system energy use is at least 25% of the total and can be as high as 60%. Accordingly, these systems typically have good opportunity for energy conservation improvements.

In 2012, an aeration system upgrade project was implemented including new diffusers, dissolved oxygen control and a new turbo-blower<sup>1</sup>. The resulting aeration blower system consists of two constant speed, 125HP centrifugal, multi-stage blowers and one 75HP, variable speed turbo blower. According to the WWTP staff, the turbo blower has been out-of-service for some time awaiting repair, which has resulted in extended operation of the constant speed centrifugal blowers. Typically, constant speed centrifugal blowers are approximately 20% less efficient than a turbo-blower and

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<sup>1</sup> From an APG-Neuros case study dated April 15, 2014.

they become less efficient as they turndown. The information we have for the City's constant speed blowers indicates that there is no means of reducing the airflow through the blowers (such as an automated inlet throttling valve). The result is that the blower moves the same amount of air whether it's needed by the process or not, and the excess air is often blown off to atmosphere, resulting in wasted energy. The type, use and



control strategies for the existing pumping systems at the WWTP are not clear to us at this time and will require study during the IGA. However, if the in-plant pumping systems are using 35% of the WWTP's total electrical consumption, that is about 293,000 kWh/year of use and \$45,500/year of cost that could be impacted with energy conservation strategies.

### **Proposed Solution:**

The initial solution strategies for the WWTP aeration and pumping systems are conceptual, but are intended to illustrate reasonably achievable results based on the data available for the PEA. The WWTP will be evaluated in detail in the IGA phase of the project development.

### Aeration System

The envisioned solution is to repair the existing turbo-blower and replace one of the remaining constant speed centrifugal blowers with another high efficiency blower to help ensure continuously efficient aeration system operation in the future. The solution will also involve modification of the aeration system controls to incorporate the new blower into the system control strategies, rotate the lead and lag blowers, and stage the blowers as needed for capacity and efficiency.

### Pumping Systems

The initially conceived solution strategies to reduce energy use and cost for the pumping systems include:

- The addition of variable frequency drives (VFDs), new motors and related controls to adjust pump output to the needs of the system. This can eliminate energy wasting capacity control strategies such as throttling and recirculation.

- Addition of controls and control strategies that allow for pumps to be automatically started, stopped and staged based on process needs versus continuous operation.
- Addition of controls and control strategies that will enable reduced pump operation during periods of high energy cost.
- Replacement of pumps and/or motors with higher efficiency models.

**ECM Benefits:**

The expected benefits of this ECM include:

- Reduced electrical use, demand and related costs resulting from improved system efficiencies and control strategies.
- Avoidance of maintenance expenditure for repair of the existing turbo-blower.
- Improved long-term persistence of energy savings for the aeration system with the second high efficiency blower.

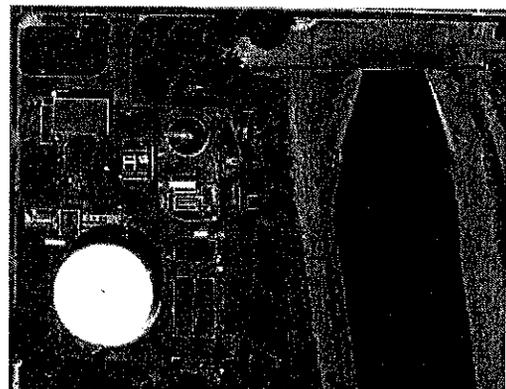
**ECM 6.0 Water Treatment Facility and Water Distribution System Energy Improvements**

The focus of this energy conservation measure is to reduce energy consumption of the Water Treatment Facility's (WTF) pumping systems and distribution system pumps where feasible.

**Existing Conditions:**

The WTF uses 24% of the City's total electrical energy consumption and accounts for 22% of the electric utility cost. This amount of energy use and cost warrant that significant focus be placed on the WTF and distribution systems since small to moderate energy improvements will make a big impact for the City.

Currently the SST team has limited information for the WTF and the water distribution system. However, the City's proposed booster pump efficiency project submitted to the 2014 Water-Energy Grant Program is indication that there is opportunity for energy conservation improvements in the pumping systems.



**Proposed Solutions:**

The initial solution strategies for the WTF and distribution systems are conceptual, but are intended to illustrate reasonably achievable results based on the data available for the PEA. The

WTF and water distribution systems will be evaluated in detail in the IGA phase the project development.

The primary solution strategy is to reduce energy use and cost for the pumping systems by installing variable frequency drives (VFDs), new motors and related controls that will automatically adjust pump output to the demands of the system. Additional solutions will be investigated for their applicability and merit in the IGA and may include:

- Identification and repair of water distribution system leaks.
- Replacement of pumps and/or motors with higher efficiency models.
- Upgrade of select distribution piping to reduce dynamic head loss.
- Addition of controls and control strategies that will enable reduced demand and energy use during periods of high energy cost.
- Addition of storage to provide operational flexibility that reduces energy costs.

**ECM Benefits:**

The expected benefits of this ECM include:

- Reduced electrical use, demand and related costs resulting from improved system efficiencies and control strategies.

**ECM 7.0 Photovoltaic System**

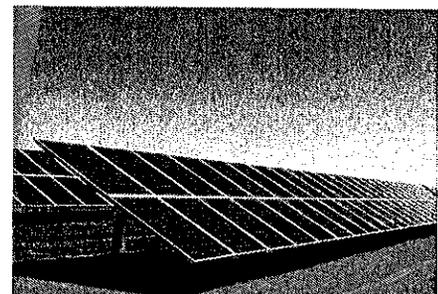
The focus of this energy conservation measure is to reduce the City's electric utility costs by installing a photovoltaic generation system to reduce the amount of energy purchased from the utility.

**Existing Conditions:**

The City has little or no existing renewable energy generating systems to help offset greenhouse gas emissions and utility costs for its facilities.

**Proposed Solution:**

The envisioned solution is the installation of a 1,000 kW<sub>AC</sub> net-metered photovoltaic (PV) system installed near the wastewater treatment plant (WWTP). This system will be able to produce more energy than the WWTP consumes annually, but with the net-metered interconnection, the overproduction



of energy at the WWTP will be exported to the grid. This exported energy is measured at the site's utility meter and monetized based on the tariff for the WWTP, and would typically result in a net credit from the utility for the WWTP account. The overproduction credit will indirectly offset the electric utility costs for the City's other facilities.

The approach of using a single large PV system versus numerous small systems installed at the City's buildings will have several benefits including economy of scale that reduces the installed cost per watt, and fewer systems to maintain and manage. One of the challenges for a system at the WWTP will be identifying a suitable location that provides the necessary area and does not interfere with plant operations or future plant modifications.

**ECM Benefits:**

The expected benefits of this ECM include:

- Reduced electrical utility costs.
- Significantly reduced greenhouse gas emissions resulting from the City's operations.

## 6.0 REBATE AND INCENTIVE PROGRAMS

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Many federal, state, and local utility programs exist to motivate and encourage commercial, municipal, and federal entities to implement energy conservation measures. These programs take many forms including grants, rebates, tax credits, and performance-based incentive programs. Each type of program has its own requirements, which vary from the preparation of simple forms and providing purchasing documentation to very rigorous documentation, data collection, and analysis efforts for customized programs.

### **Administering Incentive Programs**

The PG&E SST team has secured more than \$30 million in utility incentives for turnkey project customers in the last 5 years. We are very familiar with the technical and administrative requirements of the utility incentive programs available to the City of Orange Cove. Two of the currently applicable PG&E programs identified for the ECMs in this PEA are the *PG&E Business Rebates* and the *PG&E Customized Incentives for Energy Efficiency*. Since SoCalGas is the City's natural gas utility, incentives for natural gas savings may be procured through SoCalGas' *Energy Efficiency Incentives* program.

It's important to note that these programs are continuously changing and may not be available in their current form for the City's SST project at the time it is implemented. Some of the challenges we have run into in the past include: A particular program closes and is not replaced; Funding for a program is awaiting approval; Certain technologies or solutions are removed from a program; The incentive funds become fully committed to other applicants.

### **PG&E Business Rebates**

Utility incentives encourage the purchase and installation of high-efficiency lighting, HVAC systems, pumps and qualifying processes, food service, and information technology equipment. We have assembled and presented below a few examples of the rebates that may be available for the ECMs identified in the PEA.

**Table 6.1: 2016 Rebates for Interior LED Ambient Lighting Retrofits**

**2x4 LED Integrated Retrofit Kit for Ambient Interior Commercial Spaces**

Rebate Code	Description	Rebate/Unit Measure
LT052	≥ 85 and < 95 LPW	\$5/kilolumen
LT053	≥ 95 and < 110 LPW	\$10/kilolumen
LT054	≥ 110 and < 125 LPW	\$20/kilolumen
LT055	≥ 125 LPW	\$30/kilolumen

**2x2 LED Integrated Retrofit Kit for Ambient Interior Commercial Spaces**

Rebate Code	Description	Rebate/Unit Measure
LT056	≥ 85 and < 95 LPW	\$5/kilolumen
LT057	≥ 95 and < 110 LPW	\$10/kilolumen
LT058	≥ 110 and < 125 LPW	\$20/kilolumen
LT059	≥ 125 LPW	\$30/kilolumen

**1x4 LED Integrated Retrofit Kit for Ambient Interior Commercial Spaces**

Rebate Code	Description	Rebate/Unit Measure
LT060	≥ 85 and < 95 LPW	\$5/kilolumen
LT061	≥ 95 and < 110 LPW	\$10/kilolumen
LT062	≥ 110 and < 125 LPW	\$20/kilolumen
LT063	≥ 125 LPW	\$30/kilolumen

**Table 6.2: 2016 Rebates for Interior LED High Bay Lighting Upgrades**

**Interior LED High-Bay and Low-Bay Lighting Rebates**

Rebate Code	Replacement Fixture Wattage	Recommended Existing Lamp Type	Rebate/Unit Measure
LD109	> 500-750 watt	PS-MH	\$300/fixture
LD108	> 320-500 watt	PS-MH	\$250/fixture
LD107	> 280-320 watt	PS-MH	\$225/fixture
LD106	> 262-280 watt	PS-MH	\$190/fixture
LD105	> 220-262 watt	PS-MH	\$160/fixture
LD104	> 187-220 watt	PS-MH	\$145/fixture
LD103	> 160-187 watt	PS-MH	\$125/fixture
LD102	> 131-160 watt	PS-MH	\$110/fixture
LD101	40-131 watt	PS-MH	\$100/fixture
LD113	> 160-220 watt	T8 Fluorescent 2nd Gen 8L VHLO	\$125/fixture
LD112	> 131-160 watt	T8 Fluorescent 2nd Gen 6L VHLO	\$110/fixture
LD111	40-131 watt	T8 Fluorescent 2nd Gen 4L VHLO	\$100/fixture

Table 6.3: 2016 Rebates for Exterior LED High Bay Lighting Upgrades

LED Exterior Area Lighting Rebates		
Rebate Code	Description	Rebate/ Unit Measure
LT007	Install > 500-750 watt LED Fixture	\$200/fixture
LT008	Install > 265-500 watt LED Fixture	\$150/fixture
LT009	Install > 225-265 watt LED Fixture	\$125/fixture
LT010	Install > 192-225 watt LED Fixture	\$100/fixture
LT011	Install > 150-192 watt LED Fixture	\$80/fixture
LT012	Install > 110-150 watt LED Fixture	\$70/fixture
LT013	Install > 70-110 watt LED Fixture	\$60/fixture
LT014	Install > 50-70 watt LED Fixture	\$50/fixture
LT015	Install 0-50 watt LED Fixture	\$40/fixture

### PG&E Customized Incentives for Energy Efficiency

PG&E has offered coordinated versions of performance based incentive programs for the past ten years. The current evolution of this program at PG&E is the *PG&E Customized Incentives for Energy Efficiency*. This program is designed to pay incentives to customers who install more complex ECMs that affect multiple integrated elements in large system, or unique systems that do not fit the rebate programs. The incentives from this program can be significant covering between 10% and 40% percent of the installation cost of a measure.

In addition to typical application requirements, this program requires submission of energy savings calculations, inspections of existing and post-retrofit conditions, and measurement and verification (M&V) of savings for the completed retrofit. The amount of M&V required will vary depending on the complexity and savings of the measure. The current program incentive rates are shown in Table 6.4 below.

Table 6.4: 2016 Incentive Rates for the *Customized Program*

ECM Type	Incentive Rate
Basic Lighting	\$0.03/kWh
Targeted Lighting	\$0.08/kWh
Basic Non-Lighting	\$0.08/kWh
Targeted Non-Lighting	\$0.15/kWh
Natural Gas	\$1.00/therm
Peak Demand	\$150.00/kW

## 7.0 PRELIMINARY FINANCIAL ANALYSIS

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By performing the Preliminary Energy Assessment, PG&E believes that implementing a comprehensive SST project with the identified facilities and ECMs would enable the City of Orange Cove to implement a self-funding, \$4.5 to \$4.7 million project that would generate approximately \$373,000 in annual cost savings (Year 1) with a 12.5 year simple payback.

In addition, a preliminary financial analysis has been prepared for the identified project that shows a cash flow and key financial performance indicators for the project when funded by outside sources such as third party financing and PG&E's on bill financing (OBF). It is important to recognize that the estimated savings, implementation costs, and other inputs used in the financial analysis are preliminary and will be refined as the development of the project progresses.

**Table 7.1: Financial Analysis Inputs**

XXXXX

**Table 7.2: Financial Analysis Summary**

Financial Summary	
	<b>Total Installation Cost</b> \$4,673,206
	<b>Total Annual Energy Savings</b> \$373,904
	<b>Financing Rate / Term</b> 3.75% / 14 yrs
<b>NPV</b> -----	<b>Net Present Value</b> \$1,212,044 (16 yrs)
<b>SPB</b> -----	<b>Simple Payback</b> 12.4 yrs
<b>SIR</b> -----	<b>Savings to Investment Ratio</b> 1.31

XXXXX

**Figure 7.1: Project Cashflow Chart**

## 8.0 SST PROGRAM OVERVIEW

### Program Background

For over 40 years, PG&E has been committed to assisting its customers to achieve their energy goals. Alongside safety and the reliable delivery of energy to its customers, energy efficiency is a primary goal of PG&E and their overall mission as established by the California Public Utilities Commission (CPUC).

Based on the success of its Federal turnkey program, PG&E developed the Sustainable Solution Turnkey (SST) Program to offer non-Federal customers the ability to engage PG&E for the development, design, implementation, and financing of comprehensive efficiency and renewable energy projects across their facilities. Rather than looking at isolated “low hanging fruit” measures such as interior lighting upgrades or low-flow plumbing fixtures on a limited “as funds are available” basis, SST offers an “all measures, all facilities” approach that leverages the project’s savings and utility incentives to pay for the project. The SST Team has partnered to bring the benefits of the SST Program to large, energy-intensive customer operations throughout the service territory.

PG&E strongly encourages their customers to take a comprehensive and strategic approach to energy planning and project implementation; one that considers a design-build approach, takes advantage of streamlined procurement through California Government Code Section 4217 and properly prioritizes and bundles efficiency measures in concert with renewable generation and overall energy and financial goals.

#### PG&E’s Unique Qualifications

- **PROVEN TRACK RECORD:** PG&E has successfully administered, developed, and executed hundreds of millions of dollars’ worth of energy efficiency projects.
- **LOCAL RESOURCES & LOCAL KNOWLEDGE:** With over 150 years’ experience in Northern California, PG&E has extensive local resources that will support the project’s development, implementation, engineering, and service requirements.
- **INDEPENDENCE:** Since PG&E does not make or sell equipment, we recommend solutions that are in the client’s best interest.
- **PROFESSIONAL STAFF & STRATEGIC RESOURCES:** Unlike typical ESCOs, 100% of our energy engineering and project management is delivered in-house by our professional staff and strategic

The SST methodology, described below, supports the customer's decision making process and is comprised of several steps to ensure the outcome results in a project that meets the customer's unique priorities and needs.

1. **Feasibility Study/Preliminary Assessment:** Establish available opportunities and project viability through data analysis, interviews and benchmarking. Determine technical and financial measures and key opportunities
  - Advance customer's sustainability & climate action goals
  - Reduce utility and operating costs
  - Address aging building systems or facility infrastructure
  - Demonstrate a potential project size that fits the SST program
  - Determine potential GHG savings and environmental impact
  - Produce recurring annual savings to support financing
2. **Investment Grade Assessment:** Finalize technical solution and financial details
  - Detailed Audit
  - Engineering and Economic Analysis
  - Project Pricing and Financing Plan
  - Monitoring and Verification Plan
  - Equipment specification and subcontractor bid packages
  - IGA Report Preparation
  - Firm, fixed "not to exceed" construction cost/project proposal
3. **Implementation:** Deliver complete design/build construction of project, start-up and testing.
4. **Acceptance, Turnover and Closeout:** Final commissioning, training, incentive/rebate procurement and M&V for all measures.

## 9.0 NEXT STEPS

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The PG&E SST Team looks forward to working with the City of Orange Cove to complete development and implementation of a successful SST project. The next steps include:

- ❖ Determine the project parameters and goals for the IGA
- ❖ Review the technical and financial viability of the proposed measures and determine which measures to address in an IGA program
- ❖ Determine the project funding parameters
- ❖ Develop the proposal for the Investment Grade Assessment (IGA) effort
- ❖ Evaluate the final guidance document requirements from the City Council
- ❖ Obtain Council approval and start the IGA phase of project development

*Mayor:*  
**VICTOR P. LOPEZ**

*Mayor Pro Tem:*  
**DIANA G. SILVA**

*City Council Members:*  
**MINERVA PINEDA**  
**JOSIE CERVANTES**  
**GILBERT GARCIA**



*City Manager:*  
**SAMUEL A. ESCOBAR**  
(559) 626-5106

*Finance Director:*  
**Carlos Sanchez**  
(559) 626-4488 ext. 216

*City Clerk:*  
**JUNE V. BRACAMONTES**  
(559) 626-4488 ext. 214

Incorporated January 20, 1948

## MEMORANDUM

**TO:** City Manager, Sam Escobar  
**FROM:** Building Official, Ray Hoak  
**DATE:** November 1, 2016  
**RE:** Recycling Business Zoning Amendment

### BACKGROUND

The owners of BC Recycling, located in the empty lot next to the AC Market recently met with Building Department staff to discuss the relocation of their 'Convenience Recycling Center' to another location. The owner of the property has advised BC recycling to vacate the property because the property is being sold to O'Reily Auto Parts.

### DISCUSSION

Recycling businesses are not listed as a permitted use for any Orange Cove properties.

Public Resources Code Section 14571 states: there shall be at least one certified recycling center or location within every convenience zone that accepts and pays the refund value, if any, at one location for all types of empty beverage containers.....

Public Resources Code Section 14509.4 requires that a state-certified recycling center (Convenience Recycling Facility) be established within a one-half mile radius of a supermarket.

### RECOMMENDATION

Staff recommends amending current zoning permitted uses to include recycling businesses as a permitted use within commercial zones subject to a Conditional Use Permit and all recycling businesses 'by right' within the industrial zones. Recycling collection business would be limited to glass bottles, aluminum cans, plastic containers, papers and household electronics and computers.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 500, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771 / FAX (916) 263-2763  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



October 25, 2016

Mr. Samuel Escobar  
City Manager  
City of Orange Cove  
633 Sixth Street  
Orange Cove, CA 93646

RECEIVED  
OCT 31 2016  
City of Orange Cove  
Finance Director

**RE: Award Announcement – City of Orange Cove  
Contract #: 16-CDBG-11143 / CFDA #: 14.228**

Dear Mr. Escobar:

The Department of Housing and Community Development (Department) is pleased to announce that the City of Orange Cove has been awarded a Community Development Block Grant (CDBG) in the amount of \$225,000. This letter constitutes notice of the award of CDBG funds for use in the Fresno County.

Grant expenditures may be incurred, with Department approval, prior to the execution of the Grant Agreement; however, these costs will be incurred at the jurisdiction's own risk. For approval to be granted and active, the City must submit a written request and receive written approval from the Department.

Congratulations on your successful application. A fact sheet depicting your 2016 award, supplemental activities and funding information is enclosed. In addition, the Department encourages you to review the *General Conditions* checklists for your awarded and supplemental activities, which can be found on the CDBG website at [www.hcd.ca.gov/fa/cdbg](http://www.hcd.ca.gov/fa/cdbg) within the *Forms and Reports*. For further information, please contact your jurisdiction's CDBG Program Representative. A map showing the CDBG staff contact by county can also be found at the above mentioned website.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura A. Whittall-Scherfee".

Laura A. Whittall-Scherfee  
Deputy Director

Enclosure

**Award Information for 2016  
State Community Development Block Grant (CDBG) Program**

**City of Orange Cove  
Contract #: 16-CDBG-11143**

**Activity Funding**

**Activity Amount**

Public Services - Code Enforcement  
General Administration

\$209,302  
\$ 15,698

**TOTAL AWARD: \$225,000**

**Supplemental Activities:**

No supplemental activity

750 East Bullard Avenue, Suite 101  
Fresno, California 93710  
(559) 437-1770  
FAX: (559) 437-0150

# Memo

To: Mayor Victor Lopez and Council Members  
From: Daniel T. McCloskey, Esq.  
TUTTLE & McCLOSKEY  
Date: 10/31/2016  
Re: *Invocation Policy*

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The City has received, and council members have received a correspondence that questions the practice of having invocations to solemnize the council meetings. I have reviewed a copy of the correspondence and I disagree with the premise that the City has violated the First Amendment Establishment Clause by allowing invocations.

The law is clear that these types of invocations do not violate the Establishment Clause, and, there are U.S. Supreme Court cases that uphold a proper invocation policy. It is my recommendation that the City Council consider adopting the attached Resolution, which details in the preliminary clauses the rich tradition of invocations in this country, from Congress to numerous state legislatures and countless cities and counties nationwide who begin their sessions with an invocation. In order to strengthened our position I am recommending that we adopt a policy that has withstood legal challenge.

I have proposed that the Council adopt the policy detailed in the attached Resolution that provides any church and/or other religious organization can indicate their desire to give an invocation under the policy. The policy directs the Clerk to compile a list and send a letter to those organizations. In the absence of any person/organization coming forward and signing up for a particular council night, the Mayor can request a volunteer either from council or the public to give an invocation.

The attached policy is self-explanatory and this policy has been upheld by the Courts as not offending the First Amendment. By passing the policy we would have engage in a better business practice that places everything in writing and, although, it does not prohibit a person from going to Court, it will deter a person from being successful if challenged under the current court case rulings. In our current policy, which is not written, there is no reaching out to the community for persons or organizations, and, the prayer is usually done by a council member. Once we open the opportunity to all interested persons, religions and appropriate organizations then we are in compliance with policies that have withstood legal challenge. It is my preference and recommendation that council adopt this policy concerning invocations at the council meetings and commission meetings to avoid any litigation or to be able to succeed at defeating any challenge. It would be much harder to defend the current practice and much easier to adopt this policy.

RESOLUTION NO. 2016-60

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE,  
CALIFORNIA, ESTABLISHING A POLICY REGARDING INVOCATIONS AT  
MEETINGS OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE

WHEREAS, the City Council is an elected legislative and deliberative public body, serving the citizens of the City of Orange Cove; and

WHEREAS, legislative bodies in America have long maintained a tradition of solemnizing proceedings by allowing for an opening prayer before each meeting, for the benefit and blessing of the legislative bodies; and

WHEREAS, since the incorporation of the City, the City Council has followed a practice of selecting a chaplain, citizen or council person to provide invocations at City Council meetings; and

WHEREAS, the City Council now desires to adopt this formal, written policy to clarify and codify its invocation practices; and

WHEREAS, such prayer before deliberative public bodies has been consistently upheld as constitutional by American courts, including the United States Supreme Court; and

WHEREAS, in *Marsh v. Chambers*, 463 U.S. 783 (1983), the United States Supreme Court rejected a challenge to the Nebraska Legislature's practice of opening each day of its sessions with a prayer by a chaplain paid with taxpayer dollars, and specifically concluded, "The opening of sessions of legislative and other deliberative public bodies with prayer is deeply embedded in the history and tradition of this country. From colonial times through the founding of the Republic and ever since, the practice of legislative prayer has coexisted with the principles of disestablishment and religious freedom." *Id.*, at 786; and

WHEREAS, the Supreme Court further held, "To invoke divine guidance on a public body ... is not, in these circumstances, an "establishment of religion or a step toward establishment; it is simply a tolerable acknowledgment of beliefs widely held among the people of this country." *Id.*, at 792; and

WHEREAS, the Supreme Court affirmed in *Lynch v. Donnelly*, 465 U.S. 668 (1984), "Our history is replete with official references to the value and invocation of Divine guidance in deliberations and pronouncements of the Founding Fathers and contemporary leaders." *Id.*, at 675; and

WHEREAS, the Supreme Court further stated, "Those government acknowledgments of religion serve, in the only ways reasonably possible in our culture, the legitimate secular purposes of solemnizing public occasions, expressing confidence in the future, and encouraging the recognition of what is worthy of appreciation in society. For that reason, and because of their

history and ubiquity, those practices are not understood as conveying government approval of particular religious beliefs.” *Id.*, at 693 (O’Connor, J., concurring); and

WHEREAS, the Supreme Court also famously observed in *Zorach v. Clauson*, 343 U.S. 306 (1952), “We are a religious people whose institutions presuppose a Supreme Being.” *Id.*, at 313-14; and

WHEREAS, the Supreme Court acknowledged in *Holy Trinity Church v. United States*, 143 U.S. 457 (1892), that the American people have long followed a “custom of opening sessions of all deliberative bodies and most conventions with prayer ...,” *Id.*, at 471; and

WHEREAS, the Supreme Court has determined, “The content of [such] prayer is not of concern to judges where ... there is no indication that the prayer opportunity has been exploited to proselytize or advance any one, or to disparage any other, faith or belief.” *Marsh*, 463 U.S. at 794-795; and

WHEREAS, the Supreme Court also proclaimed that it should not be the job of the courts or deliberative public bodies “to embark on a sensitive evaluation or to parse the content of a particular prayer” offered before a deliberative public body. *Id.*; and

WHEREAS, the Supreme Court has counseled against the efforts of government officials to affirmatively screen, censor, prescribe and/or proscribe the specific content of public prayers offered by private speakers, as such government efforts would violate the First Amendment rights of those speakers. See, e.g., *Lee v. Weisman*, 505 U.S. 577, 588-589 (1992); and

WHEREAS, the City Council intends, and has intended in past practice, to adopt a policy that upholds an individual’s “free exercise” rights under the First Amendment; and

WHEREAS, the Supreme Court has repeatedly clarified that “there is a crucial difference between government speech endorsing religion, which the Establishment Clause forbids, and private speech endorsing religion, which the Free Speech and Free Exercise Clauses protect.” *Bd. of Educ. of Westside Community Schools v. Mergens*, 496 U.S. 226, 250 (1990); and

WHEREAS, the City Council intends, and has intended in past practice, to adopt a policy that does not proselytize or advance any faith, or show any purposeful preference of one religious view to the exclusion of others; and

WHEREAS, this policy set forth below has been approved by two federal courts in the cases of *Pelphrey v. Cobb County* (11th Cir. 2008) 547 F.3d 1263 and *Rubin v. City of Lancaster* (2011) 802 F.Supp.2d 1107; and

WHEREAS, the Supreme Court in May, 2014 upheld the invocation practice of the Town of Greece, New York against an Establishment clause challenge, and, stated that invocations have been a traditional and ceremonial part of both federal and state agencies since the founding of the republic; and

WHEREAS, the City Council recognizes its constitutional duty to interpret, construe, and amend its policies and ordinances to comply with constitutional requirements as they are announced.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Orange Cove, California, that the City Council does hereby adopt and establish the following written policy regarding opening invocations before meetings of the City Council:

1. In order to solemnize proceedings of the City Council, it is the policy of the City Council to allow for an invocation or prayer to be offered at its meetings for the benefit of the City Council and the community
2. The prayer shall not be listed or recognized as an agenda item for the meeting so that it may be clear the prayer is not considered a part of the public business.
3. No member of the City Council or City employee or any other person in attendance at the meeting shall be required to participate in any prayer that is offered.
4. The prayer shall be voluntarily delivered by an eligible member of the clergy or a religious leader in the City of Orange Cove, and, in the absence of such person, can be delivered by the Mayor's designee. To ensure that such person (the "invocational speaker") is selected from among a wide pool of the City's clergy/religious leaders, on a rotating basis, the invocational speaker shall be selected according to the following procedure:
  - a. The City Clerk shall compile and maintain a database (the "Congregations List") of the religious congregations with an established presence in the City of Orange Cove/
  - b. The Congregations List shall be compiled by referencing the listing for "churches," "congregations," or other religious assemblies in the annual Yellow Pages telephone directory or directories published for the City of Orange Cove, research from the Internet, and consultation with local chambers of commerce. All churches, congregations or other religious assemblies with an established presence in the City of Orange Cove are eligible to be included in the Congregations List, and any such church, congregation or religious assembly can confirm its inclusion by specific written request to the Clerk.
  - c. The Congregations List shall also include the name and contact information of any chaplain who may serve one or more of the fire departments or law enforcement agencies of the City of Orange Cove or any nearby military facilities.
  - d. The Congregations List shall be updated, by reasonable efforts of the City Clerk, in November of each calendar year.
  - e. Within thirty (30) days of the effective date of this policy, and on or about December 1 of each calendar year thereafter, the City Clerk shall mail an invitation addressed to the "religious leader" of each church, congregation or religious assembly listed on the

Congregations List, as well as to the individual chaplains included on the Congregations List.

f. The invitation shall be dated at the top of the page, signed by the City Clerk at the bottom of the page, and read as follows:

*Dear religious leader,*

*The City Council makes it a policy to invite members of the clergy in the City of Orange Cove to voluntarily offer a prayer before the beginning of its meetings, for the benefit and blessing of the City Council. As the leader of one of the religious congregations with an established presence in the local community of the City of Orange Cove, or in your capacity as a chaplain for one of the fire departments or law enforcement agencies of the City of Orange Cove, you are eligible to offer this important service at an upcoming meeting of the City Council.*

*If you are willing to assist the City Council in this regard, please send a written reply at your earliest convenience to the City Clerk at the address included on this letterhead. Clergy are scheduled on a first-come, first-serve, or other random basis. The dates of the City Council's scheduled meetings for the upcoming year are listed on the following, attached page. If you have a preference among the dates, please state that request in your written reply.*

*This opportunity is voluntary, and you are free to offer the invocation according to the dictates of your own conscience. To maintain a spirit of respect and ecumenism, the City Council requests only that the prayer opportunity not be exploited as an effort to convert others to the particular faith of the invitational speaker, nor to disparage any faith or belief different from that of the invitational speaker.*

*On behalf of the City Council, I thank you in advance for considering this invitation.*

*Sincerely,  
City Clerk*

g. Consistent with paragraph 7 hereof and, as the invitation letter indicates, the respondents to the invitation shall be scheduled on a first-come, first-served, or other random basis to deliver the prayers.

h. If the selected invitational speaker does not appear at the scheduled meeting, the Mayor may ask for a volunteer from among the Council or the audience to deliver the invocation.

i. The City Clerk shall post the following information on the City's webpage: (i) this resolution, (ii) the Congregation List and (iii) the invitation set forth herein to churches, congregations and religious associations in the City of Orange Cove

5. No invitational speaker shall receive compensation for his or her service.
6. The City Clerk shall make every reasonable effort to ensure that a variety of eligible invitational speakers are scheduled for the City Council meetings. In any event, no invitational speaker shall be scheduled to offer a prayer at consecutive meetings of the City Council or at more than three (3) City Council meetings in any calendar year.
7. Neither the City Council nor the City Clerk shall engage in any prior inquiry, review of, or involvement in, the content of any prayer to be offered by an invitational speaker.
8. This policy shall apply to all Commissions of the City of Orange Cove.
9. Shortly before the opening gavel that officially begins the meeting, the Mayor or presiding officer of a commission shall introduce the invitational speaker and the person selected to recite the Pledge of Allegiance following the invocation and invite only those persons who wish to do so to stand for those observances with the City Council.
10. This policy is not intended, and shall not be implemented or construed in any way, to affiliate the City Council with, nor express the City Council's preference for, any faith or religious denomination. Rather, this policy is intended to acknowledge and express the City Council's respect for the diversity of religious denominations and faiths represented and practiced among the citizens of Orange Cove .

NOW, THEREFORE, BE IT FURTHER RESOLVED that this policy shall become effective immediately upon approval by the City Council of the City of Orange Cove, California.

APPROVED AND ADOPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.

\_\_\_\_\_  
Victor Lopez, Mayor

I hereby certify that the foregoing Resolution was hereby passed, adopted, and approved by City Council of the City of Orange Cove at a meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

\_\_\_\_\_

June Bracamontes, City Clerk